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9  
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SAN FRANCISCO

12  
13 **THE STATE OF CALIFORNIA,**  
14 **THE PEOPLE OF THE STATE OF**  
15 **CALIFORNIA, ex rel. KAMALA D.**  
16 **HARRIS, Attorney General of the State of**  
**California, as *parens patriae* on behalf of**  
**natural persons residing in the state,**

17 **SACRAMENTO COUNTY, CORONA-**  
18 **NORCO UNIFIED SCHOOL DISTRICT,**  
19 **ELK GROVE UNIFIED SCHOOL**  
20 **DISTRICT, METROPOLITAN WATER**  
21 **DISTRICT OF SOUTHERN**  
22 **CALIFORNIA, SANTA CLARA COUNTY,**  
23 **SHASTA COUNTY, CITY OF FRESNO,**  
24 **ALAMEDA COUNTY, CITY OF LONG**  
25 **BEACH, CITY OF LOS ANGELES, CITY**  
26 **OF OAKLAND, CITY OF SAN DIEGO,**  
27 **CITY OF SAN JOSE, CONTRA COSTA**  
28 **COUNTY, FRESNO COUNTY, FRESNO**  
**UNIFIED SCHOOL DISTRICT, GARDEN**  
**GROVE UNIFIED SCHOOL DISTRICT,**  
**KERN COUNTY, LOS ANGELES**  
**COUNTY, LOS ANGELES UNIFIED**  
**SCHOOL DISTRICT, ORANGE**  
**COUNTY, SAN DIEGO UNIFIED**  
**SCHOOL DISTRICT, SAN FRANCISCO**  
**UNIFIED SCHOOL DISTRICT, SAN**  
**JOAQUIN COUNTY, SAN JUAN**  
**UNIFIED SCHOOL DISTRICT, SAN**  
**MATEO COUNTY, SANTA BARBARA**

Case No.

**COMPLAINT FOR DAMAGES,  
INJUNCTION, RESTITUTION AND  
CIVIL PENALTIES BASED ON:**

(1) VIOLATIONS OF THE  
CARTWRIGHT ACT (Bus. & Prof. Code §§  
16720, et seq.)

(2) VIOLATIONS OF THE UNFAIR  
COMPETITION ACT (Bus. & Prof. Code  
§§ 17200, et seq.)

(3) UNJUST ENRICHMENT

**DEMAND FOR JURY TRIAL**

ENDORSED  
FILED  
NOV 08 2011  
CLERK OF THE COURT  
BY: ROSSALY DE LA VEGA-NAVARRO  
Deputy Clerk  
Superior Court of California  
County of San Francisco

CGC-11-515786

1. **COUNTY, SONOMA COUNTY, TULARE**  
2. **COUNTY, VENTURA COUNTY AND**  
3. **THE REGENTS OF THE UNIVERSITY**  
4. **OF CALIFORNIA ; and**

5. **THE CITY AND COUNTY OF SAN**  
6. **FRANCISCO, individually, and on behalf of**  
7. **all others similarly situated,**

8. **Plaintiffs.**

9. **v.**

10. **CHUNGWA PICTURES TUBES, LTD.,**  
11. **CHUNGWA PICTURE TUBES**  
12. **(MALAYSIA) SDN. BHD.**

13. **Defendants.**

14. Plaintiffs, by and through Kamala D. Harris, as Attorney General of the State of California,  
15. allege as follows:

## 16. **I. INTRODUCTION**

17. 1. Cathode Ray Tubes ("CRTs") play a significant role in the lives of the People of  
18. California. From the 1890s when they were first used as an oscilloscope to view and measure  
19. electrical signals to their introduction in televisions at the 1939 New York World's Fair, CRTs  
20. have steadily grown in use and acceptance. Now CRTs can be found in such products as  
21. televisions and computer monitors used by Californian government entities and natural persons.  
22. After having been the dominant form of display technology, innovations such as flat panel LCD  
23. and plasma televisions, have gradually replaced CRTs from the preeminent position.

24. 2. Beginning in March of 1995, employees of several Defendants began to meet and  
25. exchange competitively sensitive information about CRTs involving such matters as pricing,  
26. shipping, customer demand, and production. Through 1996 and into 1997, the meetings bloomed  
27. into a formal, collusive scheme involving bilateral and multilateral meetings with employees from  
28. multiple Defendants reaching as high, in some instances, as their chief executives. The purpose

1 of these meetings was to fix the prices of CRTs at supracompetitive levels, using such methods as  
2 market and customer allocations and output restrictions.

3 3. For the duration of this covert conspiracy, Defendants' actions succeeded in  
4 minimizing the effects of the declining CRT market which had created periods of oversupply and  
5 downward price pressure. Defendants' surreptitious behavior resulted in stable and even rising  
6 prices in a mature and declining market. Defendants' conduct had a significant impact on prices  
7 as they collectively controlled the vast majority of the market for CRTs globally, including  
8 markets in the United States and the State of California. As a result of Defendants' unlawful  
9 conduct Californians, including the Plaintiffs, paid higher prices for CRT-containing products  
10 than they would have in a competitive market.

11 4. On March 18, 2011, Co-conspirator Samsung SDI Company Ltd., agreed to plead  
12 guilty and to pay a \$32 million criminal fine for its role in a global conspiracy to fix prices,  
13 reduce output and allocate market shares of CDTs. And, on September 13, 2010 the Czech  
14 Republic's Office for the Protection of Competition fined several Co-Conspirators and  
15 Defendants a total CZK 51.787 million for participating in a cartel whose purpose was to fix the  
16 price of CRTs used in color televisions. On October 7, 2009, the Japan Fair Trade Commission  
17 concluded that six CRT manufacturers participated in the conspiracy and imposed approximately  
18 \$43 million in fines on October while it has been reported that Korea's Fair Trade Commission  
19 also imposed a fine of about \$23.5 million on five CRT manufacturers.

## 20 II. JURISDICTION AND VENUE

21 5. This Court has subject matter jurisdiction over all causes of action alleged in this  
22 Complaint pursuant to the California Constitution, Article VI, § 10, and is a Court of competent  
23 jurisdiction to grant the relief requested herein. Plaintiffs' claims for violation of Business &  
24 Professions Code §§ 16720 and 17200, *et seq.* and for unjust enrichment, arise under the laws of  
25 the State of California, are not preempted by federal law, do not challenge conduct within any  
26 federal agency's exclusive domain, and are not statutorily assigned to any other trial court.

27 6. This Court also has subject matter jurisdiction over all causes of action alleged in  
28 this Complaint pursuant to California Business & Professions Code § 16760(a)(1) and is a Court

1 of competent jurisdiction to grant the relief as requested herein. Plaintiffs' claims for violation of  
2 Business & Professions Code § 16760(a)(1) arise under the laws of the State of California, are not  
3 preempted by federal law, do not challenge conduct within any federal agency's exclusive  
4 domain, and are not statutorily assigned to any other trial court.

5 7. Each Defendant did substantial business in the State of California. Either  
6 Defendants manufactured CRTs that ended up in CRT-containing products sold in the State of  
7 California, marketed or sold CRTs to California businesses that incorporated those CRTs into  
8 CRT-containing products that were sold in the State of California, or did substantial business  
9 through subsidiaries, affiliates, and/or agents located in the State of California.

10 8. Venue is proper in this Court pursuant to California Code of Civil Procedure §§  
11 395 and 395.5, and California Business & Professions Code §§ 16750 and 16754. Defendants  
12 conduct substantial business directly and/or indirectly in the State of California and in the City  
13 and County of San Francisco. The injuries that have been sustained as a result of Defendants'  
14 illegal conduct occurred in part in the City and County of San Francisco.

### 15 III. DEFINITIONS

16  
17 9. The term "CRT" or "CRTs" means cathode ray tube(s). A CRT is a display  
18 technology used in televisions, computer monitors and other specialized applications. The CRT  
19 is a vacuum tube that is coated on its inside face with light sensitive phosphors. An electron gun  
20 at the back of the vacuum tube emits electron beams. When the electron beams strike the  
21 phosphors, the phosphors produce red, green or blue light. A system of magnetic fields inside the  
22 CRT, as well as varying voltages, directs the beams to produce the desired colors. This process is  
23 rapidly repeated several times per second to produce the desired images.

24 10. The term "CDT" means color display tubes.

25 11. The term "CPT" means color picture tubes.

26 12. There are two types of CRTs: (a) CDTs are CRTs which are primarily used in  
27 color computer monitors and other specialized applications and (b) CPTs are CRTs which are  
28

1 primarily used in color televisions. CDTs and CPTs are collectively referred to herein as  
2 "cathode ray tubes" or "CRTs".

3 13. The term "OEM" or "OEMs" means any Original Equipment Manufacturer of  
4 CRT containing products.

5 14. The term "Relevant Period" means from the beginning of March 1995 to June 30,  
6 2007 in which the Defendants and/or their Co-Conspirators either themselves, subsidiaries,  
7 affiliates or through one of its predecessors prior to any merger or joint venture manufactured,  
8 marketed, sold and/or distributed CRTs, incorporated into, or affecting the price of, CRT-  
9 containing products purchased by Plaintiffs.

#### 10 IV. THE PARTIES

##### 11 a. Plaintiffs

12 15. Plaintiffs are a) the Attorney General, in the name of the people of the State of  
13 California, as *parens patriae* on behalf of natural persons residing in the state who are consumers  
14 that purchased CRTs or CRT-containing products or both; b) the State of California; and c) the  
15 following specified political subdivisions or public agencies in the State of California:

- 16 1. Sacramento County
- 17 2. Corona-Norco Unified School District
- 18 3. Elk Grove Unified School District
- 19 4. Metropolitan Water District of Southern California
- 20 5. Santa Clara County
- 21 6. Shasta County
- 22 7. City of Fresno
- 23 8. Alameda County
- 24 9. City of Long Beach
- 25 10. City of Los Angeles
- 26 11. City of Oakland
- 27 12. City of San Diego
- 28 13. City and County of San Francisco

- 1 14. City of San Jose
- 2 15. Contra Costa County
- 3 16. Fresno County
- 4 17. Fresno Unified School District
- 5 18. Garden Grove Unified School District
- 6 19. Kern County
- 7 20. Los Angeles County
- 8 21. Los Angeles Unified School District
- 9 22. Orange County
- 10 23. San Diego Unified School District
- 11 24. San Francisco Unified School District
- 12 25. San Joaquin County
- 13 26. San Juan Unified School District
- 14 27. San Mateo County
- 15 28. Santa Barbara County
- 16 29. Sonoma County
- 17 30. Tulare County
- 18 31. Ventura County
- 19 32. The Regents of the University of California.

20

21 **b. Defendants**

22 **Chunghwa Entities**

23 16. Co-conspirator Chunghwa Picture Tube Ltd., ("Chunghwa") is a Taiwanese  
24 company with its principal place of business located at 1127 Heping Road, Bade City, Taoyuan,  
25 Taiwan. Chunghwa is a leading manufacturer of CRTs. During the Relevant Period covered by  
26 this Complaint, Chunghwa manufactured, marketed, sold and/or distributed CRTs incorporated  
27 into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

28

17. Defendant Chunghwa Picture Tubes (Malaysia) Sdn. Bhd., (“Chunghwa Malaysia”) is a Malaysian company with its principal place of business located at Lot 1, Subang Hi-Tech Industrial Park, Batu Tiga, 4000 Shah Alam, Selangor Darul Ehsan, Malaysia. Chunghwa Malaysia is a wholly-owned and controlled subsidiary of Chunghwa. Chunghwa Malaysia is a leading worldwide supplier of CRTs. Chunghwa dominated and controlled the finances, policies and affairs of Chunghwa Malaysia relating to the antitrust violations alleged in this Complaint. During the Relevant Period Chunghwa Malaysia manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

18. Defendants Chunghwa and Chunghwa Malaysia are collectively referred to herein as “Chunghwa”.

19. All of the above named defendants in ¶¶ 1 through 7 of this Complaint are collectively referred herein to as (“Defendants”) and are listed in Appendix A to this Complaint.

20. Wherever in this Complaint a family of Defendant-corporate entities is referred to by a common name, it shall be understood that Plaintiffs are alleging that one or more officers or employees of one or more of the named related Defendant companies participated in the illegal acts alleged herein on behalf of all of the related corporate family entities.

**c. Co-Conspirators**

**Daewoo/Orion Entities:**

21. During the Relevant Period Orion Electric Company (“Orion”) was a major manufacturer of CRTs. Orion was a Korean corporation which filed for bankruptcy in 2004. In 1995, approximately 85% of Orion’s (US)\$1 billion in sales was attributed to CRTs. Orion was involved in CRT sales and manufacturing joint ventures and had subsidiaries all over the world, including South Africa, France, Indonesia, Mexico, and the United States. Orion was wholly-owned by the “Daewoo Group”. The Daewoo Group included Daewoo Electronics Company, Ltd. a South Korea company with its principal base of business located at 686 Ahyeon-dong, Mapo-gu, Seoul, South Korea (and also a Defendant), Daewoo Telecom Company, Daewoo

1 Corporation and Orion Electronics Components Company. The Daewoo Group was dismantled  
2 in or around 1999.

3 22. Daewoo Electronics Company, Ltd. and Orion were 50/50 joint venture partners in  
4 an entity called Daewoo-Orion Société Anonyme ("DOSA") in France which is also a Defendant.  
5 As of approximately 1996, DOSA produced 1.2 million CRTs annually. Defendant Daewoo sold  
6 DOSA's CRT business in or around 2004.

7 23. In December 1995, Orion partnered with Toshiba Corporation and two other non-  
8 defendant entities to form PT Tosummit Electronic Devices ("TEDI") in Indonesia. TEDI was  
9 projected to have an annual production capacity of 2.3 million CRTs by 1999. During the  
10 Relevant Period Orion, Daewoo Electronics, Ltd., TEDI and DOSA manufactured, marketed, sold  
11 and/or distributed CRTs incorporated into, or affecting the price of, CRT-containing products  
12 purchased by Plaintiffs.

13 24. Co-conspirators Daewoo Electronics, TEDI, Orion and DOSA are collectively  
14 referred to herein as "Daewoo".  
15

16 **Hitachi Entities:**

17 25. Co-conspirator Hitachi, Ltd. is a Japanese company with its principal place of  
18 business located at 6-1 Marunouchi Center Building 13F, Chiyoda-ku, Tokyo 100-8280, Japan.  
19 Hitachi, Ltd. is the parent company for the Hitachi brand of CRTs. In 1996, Hitachi, Ltd.'s  
20 worldwide market share for color CRTs was 20 percent. During the Relevant Period Hitachi, Ltd.  
21 manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the price of,  
22 CRT-containing products purchased by Plaintiffs.

23 26. Co-conspirator Hitachi Displays, Ltd. ("Hitachi Displays") is a Japanese company  
24 with its principal place of business located at AKS Building, 2 Kandaneribeicho 3, Chiyoda-ku,  
25 Tokyo, 101-0022, Japan. Hitachi Displays was originally established as Mobara Works of  
26 Hitachi Ltd. in Mobara City, Japan, in 1943. In 2002, all the departments of planning,  
27 development, design, manufacturing and sales concerned with the display business of Hitachi,  
28 Ltd. were spun off to create a separate company called Hitachi Displays, Ltd. Hitachi, Ltd.



1 dominated and controlled the finances, policies and affairs of Hitachi Displays relating to the  
2 antitrust violations alleged in this Complaint. During the Relevant Period Hitachi Displays  
3 manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the price of,  
4 CRT-containing products purchased by Plaintiffs.

5 27. Co-conspirator Hitachi Electronic Devices (USA), Inc. ("HEDUS") is a Delaware  
6 corporation with its principal place of business located at 1000 Hurricane Shoals Road, Ste. D-  
7 100, Lawrenceville, GA 30043. HEDUS is a subsidiary of Hitachi, Ltd. and Hitachi Displays.  
8 Defendants Hitachi, Ltd. and Hitachi Displays dominated and controlled the finances, policies  
9 and affairs of HEDUS relating to the antitrust violations alleged in this Complaint. During the  
10 Relevant Period HEDUS manufactured, marketed, sold and/or distributed CRTs incorporated  
11 into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

12 28. Co-conspirator Hitachi America, Ltd. ("Hitachi America") is a New York  
13 company with its principal place of business located at 2000 Sierra Point Parkway, Brisbane,  
14 California 94005. Hitachi America is a wholly-owned and controlled subsidiary of Hitachi, Ltd.  
15 Hitachi, Ltd. dominated and controlled the finances, policies and affairs of Hitachi America  
16 relating to the antitrust violations alleged in this Complaint. During the Relevant Period Hitachi  
17 America manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the  
18 price of, CRT-containing products purchased by Plaintiffs.

19 29. Co-conspirator Hitachi Asia, Ltd. ("Hitachi Asia") is a Singapore company with its  
20 principal place of business located at 16 Collyer Quay, #20-00 Hitachi Tower, Singapore,  
21 049318. Hitachi Asia is a wholly-owned and controlled subsidiary of Hitachi, Ltd. Hitachi, Ltd.  
22 dominated and controlled the finances, policies and affairs of Hitachi Asia relating to the antitrust  
23 violations alleged in this Complaint. During the Relevant Period Hitachi Asia manufactured,  
24 marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-  
25 containing products purchased by Plaintiffs.

26 30. Co-conspirator Shenzhen SEG Hitachi Color Display Devices, Ltd. ("Hitachi  
27 Shenzhen") was a Chinese company with its principal place of business located at 5001  
28 Huanggang Road, Futian District, Shenzhen 518035, China. Hitachi Displays owned at least a

1 25% interest in Hitachi Shenzhen until November 8, 2007. Hitachi, Ltd. and Hitachi Displays  
2 dominated and controlled the finances, policies and affairs of Hitachi Shenzhen relating to the  
3 antitrust violations alleged in this Complaint. During the Relevant Period Hitachi Shenzhen  
4 manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the price of,  
5 CRT-containing products purchased by Plaintiffs.

6 31. Co-conspirator Hitachi, Ltd., Hitachi Displays, Hitachi America, HEDUS, Hitachi  
7 Asia and Hitachi Shenzhen are collectively referred to herein as "Hitachi."

8 **IRICO Entities:**

9 32. Co-conspirator IRICO Group Corporation ("IGC") is a Chinese corporation with  
10 its principal place of business located at 1 Caihong Rd., Xianyang City, Shaanxi Province  
11 712021. IGC is the parent company for multiple subsidiaries engaged in the manufacture,  
12 marketing, sale and/or distribution of CRTs. During the Relevant Period IGC manufactured,  
13 marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-  
14 containing products purchased by Plaintiffs.

15 33. Co-conspirator IRICO Display Devices Co., Ltd. ("IDDC") is a Chinese company  
16 with its principal place of business located at No. 16, Fenghui South Road, West High New Tec  
17 Development Zone, Xi'an 710075, China. Defendant IDDC is a partially-owned subsidiary of  
18 Defendant IGC. In 2006, IDDC was China's top CRT maker. IGC dominated and controlled the  
19 finances, policies and affairs of IDDC relating to the antitrust violations alleged in this  
20 Complaint. During the Relevant Period IGC manufactured, marketed, sold and/or distributed  
21 CRTs incorporated into, or affecting the price of, CRT-containing products purchased by  
22 Plaintiffs.

23 34. Co-conspirator IRICO Group Electronics Co., Ltd. ("IGE") is a Chinese company  
24 with its principal place of business located at 1 Caihong Rd., Xianyang City, Shaanxi Province  
25 712021. IGE is owned by Defendant IGC. Defendant IGC dominated and controlled the  
26 finances, policies and affairs of IGE relating to the antitrust violations alleged in this Complaint.  
27 During the Relevant Period IGE manufactured, marketed, sold and/or distributed CRTs  
28 incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

35. Co-conspirators IGC, IDDC and IGE are collectively referred to herein as "TRICO".

**LG Electronics Entities:**

36. Co-conspirator LG Electronics, Inc. is a corporation organized under the laws of the Republic of Korea ("South Korea") with its principal place of business located at LG Twin Towers, 20 Yeouido-dong, Yeongdeungpro-gue, Seoul 150-721, South Korea. LG Electronics, Inc. is a \$48.5 billion global force in consumer electronics, home appliances and mobile communications, which established its first overseas branch office in New York in 1968. The company's name was changed from GoldStar Communications to LG Electronics, Inc. in 1995, the year in which it also acquired Zenith in the United States. In 2001, LG Electronics, Inc. transferred its CRT business to a 50/50 CRT joint venture with Koninklijke Philips Electronics N.V. a/k/a/ Royal Philips Electronics N.V. forming Co-conspirator LG Philips Displays (n/k/a/ LP Displays International, Ltd.). During the Relevant Period LG Electronics, Inc. manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the price of CRT-containing products purchased by Plaintiffs.

37. Co-conspirator LG Electronics U.S.A., Inc. ("LGEUSA") is a Delaware corporation with its principal place of business located at 1000 Sylan Avenue, Englewood Cliffs, NJ 07632. LGEUSA is a wholly-owned and controlled subsidiary of LG Electronics, Inc. Defendant LG Electronics Inc. dominated and controlled the finances, policies and affairs of LGUSA relating to the antitrust violations alleged in this Complaint. During the Relevant Period LGEUSA manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

38. Co-conspirator LG Electronics Taiwan Taipei Co., Ltd. ("LGETT") is a Taiwanese entity with its principal place of business located at 7F, No.47, Lane 3, Jihu Road, Nei Hu District, Taipei City, Taiwan. Co-conspirator LGETT is a wholly-owned and controlled subsidiary of LG Electronics, Inc. LG Electronics, Inc. dominated and controlled the finances, policies and affairs of LGETT relating to the antitrust violations alleged in this Complaint.

1 During the Relevant Period LGETT manufactured, marketed, sold and/or distributed CRTs  
2 incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

3 39. Co-conspirators LG Electronics, Inc., LGEUSA and LGETT are collectively  
4 referred to herein as "LG Electronics".

5 **LP Displays:**

6 40. Co-conspirator LP Displays International, Ltd f/k/a LG.Philips Displays ("LP  
7 Displays") was created in 2001 as a 50/50 joint venture between LG Electronics, Inc. and Royal  
8 Philips Electronics of the Netherlands. In March 2007, LP Displays became an independent  
9 company organized under the laws of Hong Kong with its principal place of business located at  
10 Corporate Communications, 6th Floor, ING Tower, 308 Des Voeux Road Central, Sheung Wan,  
11 Hong Kong. LP Displays announced in March 2007 that Royal Philips and LG Electronics would  
12 cede control over the company and the shares would be owned by financial institutions and  
13 private equity firms. LP Displays is a leading supplier of CRTs for use in television sets and  
14 computer monitors with annual sales for 2006 of over \$2 billion, and a market share of 27%.  
15 During the Relevant Period LP Displays manufactured, marketed, sold and/or distributed CRTs  
16 incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

17  
18 **Panasonic Entities:**

19 41. Co-conspirator Panasonic Corporation, which was at all times during the Relevant  
20 Period known as Matsushita Electric Industrial Co., Ltd. and only became Panasonic Corporation  
21 on October 1, 2008, is a Japanese entity with its principal place of business located at 1006 Oaza  
22 Kadoma, Kadoma-shi, Osaka 571-8501, Japan. In 2002, Panasonic Corporation entered into a  
23 CRT joint venture with Toshiba forming MT Picture Display Co., Ltd, ("MTPD"). Panasonic  
24 Corporation was the majority owner with 64.5 percent. On April 3, 2007, Panasonic Corporation  
25 purchased the remaining 35.5 percent stake in the joint venture making MTPD a wholly-owned  
26 subsidiary of Panasonic Corporation. In 2005, the Panasonic brand had the highest CRT revenue  
27 in Japan. During the Relevant Period Panasonic Corporation manufactured, marketed, sold  
28

1 and/or distributed CRTs incorporated into, or affecting the price of, CRT-containing products  
2 purchased by Plaintiffs.

3 42. Co-conspirator Panasonic Corporation of North America ("Panasonic NA") is a  
4 Delaware corporation with its principal place of business located at One Panasonic Way,  
5 Secaucus, New Jersey. Panasonic NA is a wholly-owned and controlled subsidiary of Defendant  
6 Panasonic Corporation. Panasonic Corporation dominated and controlled the finances, policies  
7 and affairs of Panasonic NA relating to the antitrust violations alleged in this Complaint. During  
8 the Relevant Period Panasonic NA manufactured, marketed, sold and/or distributed CRTs  
9 incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

10 43. Co-conspirator Matsushita Electronic Corporation (Malaysia) Sdn. Bhd.  
11 ("Matsushita Malaysia") was a Malaysian company with its principal place of business located at  
12 Lot 1, Persiaran Tengku Ampuan Section 21, Shah Alam Industrial Site, Shah Alam, Malaysia  
13 40000. Matsushita Malaysia was a wholly-owned and controlled subsidiary of Defendant  
14 Panasonic Corporation. Panasonic Corporation transferred Matsushita Malaysia to its CRT joint  
15 venture with Toshiba Corporation and MTPD in 2003. It was renamed MT Picture Display  
16 (Malaysia) Sdn. Bdn. and operated as a wholly-owned subsidiary of MT Picture Display until its  
17 closure in 2006. Panasonic Corporation dominated and controlled the finances, policies and  
18 affairs of Matsushita Malaysia relating to the antitrust violations alleged in this Complaint.  
19 During the Relevant Period Matsushita Malaysia manufactured, marketed, sold and/or distributed  
20 CRTs incorporated into, or affecting the price of, CRT-containing products purchased by  
21 Plaintiffs.

22 44. Co-conspirators Panasonic Corporation, Panasonic NA and Matsushita Malaysia  
23 are collectively referred to herein as "Panasonic".

24 45. Co-conspirator MT Picture Display Co., Ltd. ("MTPD") was established as a CRT  
25 joint venture between Panasonic Corporation and Toshiba. MTPD is a Japanese entity with its  
26 principal place of business located at 1-1, Saiwai-cho, takatsuki-shi, Osaka 569-1193, Japan. On  
27 April 3, 2007, Panasonic Corporation purchased the remaining stake in MTPD, making it a  
28 wholly-owned subsidiary and renaming it MP Picture Display Co., Ltd. Panasonic Corporation

1 and Toshiba dominated and controlled the finances, policies and affairs of MTPD relating to the  
2 antitrust violations alleged in this Complaint. During the Relevant Period MTPD manufactured,  
3 marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-  
4 containing products purchased by Plaintiffs.

5 46. Co-conspirator Beijing-Matsushita Color CRT Company, Ltd. ("BMCC") is a  
6 Chinese company with its principal place of business located at No. 9, Jiuxianqiao N. Rd.,  
7 Dashanzi Chaoyang District, Beijing, China. BMCC is a joint venture company, 50% of which is  
8 held by Defendant MTPD. The other 50% is held by Beijing Orient Electronics (Group) Co.,  
9 Ltd., China National Electronics Import & Export Beijing Company (a China state-owned  
10 enterprise), and Beijing Yayunchun Branch of the industrial and Commercial Bank of China,  
11 Ltd., (a China state-owned enterprise). Formed in 1987, BMCC was Matsushita's (n/k/a  
12 Panasonic) first CRT manufacturing facility in China. BMCC is the second largest producer of  
13 CRTs in China. During the Relevant Period BMCC manufactured, marketed, sold and/or  
14 distributed CRTs incorporated into, or affecting the price of, CRT-containing products purchased  
15 by Plaintiffs.

16  
17 **Samsung Entities:**

18 47. Co-conspirator Samsung Electronics Co., Ltd. ("Samsung Electronics") is a South  
19 Korean company with its principal place of business located at Samsung Main Building, 250 2-  
20 ga, Taepyong-ro, Jung-gu, Seoul 100-742, South Korea. During the Relevant Period Samsung  
21 Electronics manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting  
22 the price of, CRT-containing products purchased by Plaintiffs.

23 48. Co-conspirator Samsung Electronics America, Inc. ("SEAI") is a New York  
24 corporation with its principal place of business located at 105 Challenger Road, 6th Floor,  
25 Ridgefield Park, New Jersey 07660. SEAI is a wholly-owned and controlled subsidiary of  
26 Defendant Samsung Electronics. Samsung Electronics dominated and controlled the finances,  
27 policies and affairs of SEAI relating to the antitrust violations alleged in this Complaint. During  
28

1 the Relevant Period SEAI manufactured, marketed, sold and/or distributed CRTs incorporated  
2 into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

3 49. Co-conspirator Samsung SDI Co., Ltd., f/k/a Samsung Display Device Co., Ltd.,  
4 ("Samsung SDI"), is a South Korean company with its principal place of business located at 15th  
5 -18th Floor, Samsung Life Insurance Building, 150, 2-ga, Taepyong-ro, Jung-gu, Seoul, 100-716,  
6 South Korea. Samsung SDI is a public company. Samsung Electronics is a major shareholder of  
7 Samsung SDI holding almost 20 percent of the stock. Founded in 1970, Samsung SDI claims to  
8 be the world's leading company in the display and energy business, with 28,000 employees and  
9 facilities in 18 countries. In 2002, Samsung SDI held a 34.3% worldwide market share in the  
10 market for CRTs; more than any other producer. Samsung SDI has offices in Chicago, Illinois  
11 and San Diego, California. Samsung Electronics dominated and controlled the finances, policies  
12 and affairs of Samsung SDI relating to the antitrust violations alleged in this Complaint. During  
13 the Relevant Period Samsung SDI manufactured, marketed, sold and/or distributed CRTs  
14 incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

15 50. Co-conspirator Samsung SDI America, Inc. ("Samsung SDI America") is a  
16 California corporation with its principal place of business located at 3333 Michelson Drive, Suite  
17 700, Irvine, California. Samsung SDI America is a wholly-owned and controlled subsidiary of  
18 Samsung SDI. Samsung Electronics and Samsung SDI dominated and controlled the finances,  
19 policies and affairs of SDI America relating to the antitrust violations alleged in this Complaint.  
20 During the Relevant Period Samsung SDI America manufactured, marketed, sold and/or  
21 distributed CRTs incorporated into, or affecting the price of, CRT-containing products purchased  
22 by Plaintiffs.

23 51. Co-conspirator Samsung SDI Mexico S.A. de C.V. ("Samsung SDI Mexico") is a  
24 Mexican company with its principal place of business located at Blvd. Los Olivos, No. 21014,  
25 Parque Industrial El Florida, Tijuana, B.C. Mexico. Samsung SDI Mexico is a wholly-owned and  
26 controlled subsidiary of Samsung SDI. Samsung Electronics and Samsung SDI dominated and  
27 controlled the finances, policies and affairs of Samsung SDI Mexico relating to the antitrust  
28 violations alleged in this Complaint. During the Relevant Period Samsung SDI Mexico

1 manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the price of,  
2 CRT-containing products purchased by Plaintiffs.

3 52. Co-conspirator Samsung SDI Brasil Ltda. ("Samsung SDI Brasil") is a Brazilian  
4 company with its principal place of business located at Av. Eixo Norte Sul, S/N Distrito  
5 Industrial, 69088-4800 Manaus, Amazonas, Brazil. Samsung SDI Brasil is a wholly-owned and  
6 controlled subsidiary of Defendant Samsung SDI. Defendants Samsung Electronics and Samsung  
7 SDI dominated and controlled the finances, policies and affairs of Samsung SDI Brasil relating to  
8 the antitrust violations alleged in this Complaint. During the Relevant Period Samsung SDI  
9 Brasil manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the  
10 price of, CRT-containing products purchased by Plaintiffs.

11 53. Co-conspirator Shenzhen Samsung SDI Co., Ltd. ("Samsung SDI Shenzhen") is a  
12 Chinese company with its principal place of business located at Huanggang Bei Lu, Futian Gu,  
13 Shenzhen, China. Samsung SDI Shenzhen is a wholly-owned and controlled subsidiary of  
14 Samsung SDI. Defendants Samsung Electronics and Samsung SDI dominated and controlled the  
15 finances, policies and affairs of Samsung SDI Shenzhen relating to the antitrust violations alleged  
16 in this Complaint. During the Relevant Period Samsung SDI Shenzhen manufactured, marketed,  
17 sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-containing  
18 products purchased by Plaintiffs.

19 54. Co-conspirator Tianjin Samsung SDI Co., Ltd. ("Samsung SDI Tianjin") is a  
20 Chinese company with its principal place of business located at Developing Zone of Yi-Xian  
21 Park, Wuqing County, Tianjin, China. Samsung SDI Tianjin is a wholly-owned and controlled  
22 subsidiary of Samsung SDI. Samsung Electronics and Samsung SDI dominated and controlled  
23 the finances, policies and affairs of Samsung SDI Tianjin relating to the antitrust violations  
24 alleged in this Complaint. During the Relevant Period Samsung SDI Tianjin manufactured,  
25 marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-  
26 containing products purchased by Plaintiffs.

27 55. Co-conspirator Samsung SDI (Malaysia) Sdn. Bhd. ("Samsung SDI Malaysia") is  
28 a Malaysian company with its principal place of business located at Lot 635 & 660, Kawasan



1 Perindustrian, Tuanku, Jaafar, 71450 Sungai Gadut, Negeri Semblian Darul Khusus, Malaysia.  
2 Samsung SDI Malaysia is a wholly-owned and controlled subsidiary of Samsung SDI. Samsung  
3 Electronics and Samsung SDI dominated and controlled the finances, policies and affairs of  
4 Samsung SDI Malaysia relating to the antitrust violations alleged in this Complaint. During the  
5 Relevant Period Samsung SDI Malaysia manufactured, marketed, sold and/or distributed CRTs  
6 incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

7 56. Co-conspirators Samsung Electronics, SEAI, Samsung SDI, Samsung SDI  
8 America, Samsung SDI Mexico, Samsung SDI Brasil, Samsung SDI Shenzhen, Samsung SDI  
9 Tianjin and Samsung SDI Malaysia are collective referred to herein as "Samsung".

10  
11 **Samtel Entities:**

12 57. Co-conspirator Samtel Color, Ltd. ("Samtel") is an Indian company with its  
13 principal place of business located at 52, Community Centre, New Friends Colony, New Delhi -  
14 110065. Samtel's market share for CRTs sold in India is approximately 40%. Samtel is India's  
15 largest exporter of CRTs. Samtel has gained safety approvals from the United States, Canada,  
16 Germany and Great Britain for its CRTs. During the Relevant Period Samtel manufactured,  
17 marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-  
18 containing products purchased by Plaintiffs.

19  
20 **Thai CRT:**

21 58. Co-conspirator Thai CRT Company, Ltd. ("Thai CRT") is a Thai company with  
22 its principal place of business located at 1/F Siam Cement Road, Bangsue Dusit, Bangkok,  
23 Thailand. Thai CRT is a subsidiary of Siam Cement Group. It was established in 1986 as  
24 Thailand's first manufacturer of CRTs for color televisions. During the Relevant Period Thai  
25 CRT manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the  
26 price of, CRT-containing products purchased by Plaintiffs.

27 **Toshiba Entities:**  
28

1           59.       Co-conspirator Toshiba Corporation is a Japanese corporation with its principal  
2 place of business at 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan. In 2001,  
3 Toshiba Corporation held a 5-10% worldwide market share for CRTs used in televisions and  
4 computer monitors. In December of 1995, Toshiba Corporation partnered with Orion Electric  
5 Company (n/k/a Daewoo Electronics Corporation) and two other non-defendant entities to form  
6 P.T. Tosummit Electronic Devices Indonesia ("TEDI") in Indonesia. TEDI was projected to have  
7 an annual production capacity of 2.3 million CRTs by 1999. In 2002, Toshiba Corporation  
8 entered into a joint venture with Defendant Panasonic Corporation called MT Picture Display  
9 Co., Ltd. through which the entities consolidated their CRT businesses. During the Relevant  
10 Period Toshiba Corporation manufactured, marketed, sold and/or distributed CRTs incorporated  
11 into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

12           60.       Co-conspirator Toshiba America, Inc. ("Toshiba America") is a Delaware  
13 corporation with its principal place of business located at 1251 Avenue of the Americas, Suite  
14 4110, New York, NY 10020. Toshiba America is a wholly-owned controlled subsidiary of, and a  
15 holding company for, Toshiba Corporation. Toshiba Corporation dominated and controlled the  
16 finances, policies and affairs of Toshiba America relating to the antitrust violations alleged in this  
17 Complaint. During the Relevant Period Toshiba America manufactured, marketed, sold and/or  
18 distributed CRTs incorporated into, or affecting the price of, CRT-containing products purchased  
19 by Plaintiffs.

20           61.       Co-conspirator Toshiba America Consumer Products, LLC ("TACP") is  
21 headquartered in 82 Totawa Rd., Wayne, New Jersey 07470-3114. TACP is a wholly-owned and  
22 controlled subsidiary of Toshiba Corporation through Toshiba America. Defendant Toshiba  
23 Corporation dominated and controlled the finances, policies and affairs of TACP relating to the  
24 antitrust violations alleged in this Complaint. During the Relevant Period TACP manufactured,  
25 marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-  
26 containing products purchased by Plaintiffs.

27           62.       Co-conspirator Toshiba America Information Systems, Inc. ("TAIP") is a  
28 California corporation with its principal place of business located at 9740 Irvine Blvd., Irvine,

1 California 92718. TAIP is a wholly-owned and controlled subsidiary of Toshiba Corporation  
2 through Toshiba America. Toshiba Corporation dominated and controlled the finances, policies  
3 and affairs of TAIP relating to the antitrust violations alleged in this Complaint. During the  
4 Relevant Period TAIP manufactured, marketed, sold and/or distributed CRTs incorporated into,  
5 or affecting the price of, CRT-containing products purchased by Plaintiffs.

6 63. Co-conspirator Toshiba America Electronic Components, Inc. ("TAEC") is a  
7 California corporation with its principal place of business located at 9775 Toledo Way, Irvine,  
8 California 92618, and 19000 MacArthur Boulevard, Suite 400, Irvine, California 92612. TAEC  
9 is a wholly-owned and controlled subsidiary of Toshiba America, which is a holding company for  
10 Toshiba Corporation. TAEC is currently the North American sales and marketing representative  
11 for Defendant MTPD. Before MTPD's formation in 2003, TAEC was the North American  
12 engineering, manufacturing, marketing and sales arm of Toshiba Corporation. Toshiba  
13 Corporation dominated and controlled the finances, policies and affairs of TAEC relating to the  
14 antitrust violations alleged in this Complaint. During the Relevant Period TAEC manufactured,  
15 marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-  
16 containing products purchased by Plaintiffs.

17 64. Toshiba Display Devices (Thailand) Company, Ltd. ("TDDT") was a Thai  
18 company with its principal place of business located at 142 Moo 5 Bangkadi Industrial Estate,  
19 Tivanon Road, Pathum Thani, Thailand, Thailand 1200. TDDT was a wholly-owned and  
20 controlled subsidiary of Toshiba Corporation. Toshiba Corporation transferred TDDT to its CRT  
21 joint venture with Panasonic Corporation, MTPD in 2003. It was then re-named as MT Picture  
22 Display (Thailand) Co., Ltd. and operated as a wholly-owned subsidiary of MTPD until its  
23 closure in 2007. Toshiba Corporation dominated and controlled the finances, policies and affairs  
24 of TDDT relating to the antitrust violations alleged in this Complaint. During the Relevant  
25 Period TDDT manufactured, marketed, sold and/or distributed CRTs incorporated into, or  
26 affecting the price of, CRT-containing products purchased by Plaintiffs.

27 65. P.T. Tosummit Electronic Devices Indonesia ("TEDI") was a CRT joint venture  
28 formed by Toshiba Corporation, Orion Electric Company and two other non-defendant entities in

December 1995. TEDI's principal place of business was located in Indonesia. TEDI was projected to have an annual production capacity of 2.3 million CRTs by 1999. In 2003, TEDI was transferred to MT Picture Display Co., Ltd., and its name was changed to PT.MT Picture Display Indonesia. Toshiba Corporation dominated and controlled the finances, policies and affairs of TEDI relating to the antitrust violations alleged in this Complaint. During the Relevant Period TEDI manufactured, marketed, sold and/or distributed CRTs incorporated into, or affecting the price of, CRT-containing products purchased by Plaintiffs.

66. Co-conspirators Toshiba Corporation, Toshiba America, Inc., TACP, TAIP, TAEC, TDDT and TEDI are collectively referred to herein as "Toshiba".

67. All of the above named Co-conspirators in ¶¶ 10 through 61 of this Complaint are collectively referred herein to as ("Co-conspirators") and are listed in Appendix A to this Complaint.

68. Wherever in this Complaint a family of Co-conspirator-corporate entities is referred to by a common name, it shall be understood that Plaintiffs are alleging that one or more officers or employees of one or more of the named related Co-conspirator companies participated in the illegal acts alleged herein on behalf of all of the related corporate family entities.

### **C. Agents and Co-Conspirators**

#### **Other Agents and Co-Conspirators**

69. Various other persons, firms and corporations, not named as Defendants herein, have participated as co-conspirators with Defendants and have performed acts and made statements in furtherance of the conspiracy and/or in furtherance of the anticompetitive, unfair or deceptive conduct alleged in this Complaint. Plaintiffs reserve the right to name some or all of these persons, firms and corporations as Defendants at a later date.

70. Wherever in this Complaint reference is made to any act, deed or transaction of any persons, firms and corporations, the allegations mean that the persons, firms and corporations engaged in the act, deed or transaction by or through its officers, directors, agents, employees or representatives while they were actively engaged in the management, direction, control or transaction of the Defendants' business or affairs.

1        71. Defendants are also liable for acts done in furtherance of the alleged conspiracy by  
2 companies they acquired through, but not limited to mergers, joint ventures or acquisitions.

3        72. Each of the Defendants named herein acted as the agent, affiliate, or in joint  
4 fashion or with the other Defendants with respect to the acts, violations and common course of  
5 conduct alleged in this Complaint. Each Defendant which is a subsidiary of a foreign parent acts  
6 as the sole United States agent for CRTs made by its parent company, unless indicated otherwise.

7                                    **V. CALIFORNIA TRADE AND COMMERCE**

8        73. Throughout the Relevant Period each Defendant, or one or more of its subsidiaries,  
9 affiliates or predecessors either marketed or sold CRTs in the State of California, or marketed or  
10 sold CRTs that ended up in CRT-containing products sold in the State of California, in a  
11 continuous and uninterrupted flow of interstate and international commerce, including through  
12 and into this Court's jurisdiction. CRTs are generally priced in U.S. dollars except for those  
13 produced in China. The CRT price-fixing conspiracy fixed prices in U.S. dollars (and/or fixed an  
14 exchange rate for Chinese Yuan to the U.S. dollar) for CRTs. Based on information and belief, a  
15 specific type of CRT manufactured for use in the Northern Hemisphere could be used anywhere  
16 in that hemisphere from the United States to the European Union to Asia. Based on information  
17 and belief, although CRTs are manufactured in different regions of the world, prices for CRTs in  
18 one region of the world are affected by, and affected other regions of the world, such that price  
19 differentials between regions were not large (if they existed at all) during the relevant time period.  
20 And, based on information and belief, while CRTs destined to be incorporated into products  
21 exported into the United States, including the State of California, as ordered by such well-known  
22 California companies as Apple, Samsung SDI America, and Hewlett-Packard, were initially  
23 manufactured in Mexico and Brazil during the Relevant Period, later CRTs destined to be  
24 incorporated into products that were sent into the U.S. market were manufactured in South-East  
25 Asia and China.

26        74. During the Relevant Period Defendants collectively controlled the vast majority of  
27 the market for CRTs globally, including in the United States and the State of California.

75. Defendants' unlawful activities, as described herein, involved two, interlinked global markets, one for CDTs and the other for CPTs, and thus had a direct, substantial and reasonably foreseeable effect upon interstate and international commerce involving CRT-containing products, including the United States and the State of California.

## VI. FACTUAL ALLEGATIONS

### A. CRT Technology

76. CRT technology was first developed more than a century ago. The first commercially practical CRT television was made in 1931. It was not until the RCA Corporation introduced the product at the 1939 New York World's Fair, however, that it became widely available to consumers. Since then, CRTs have become the heart of many display products, including televisions and computer monitors.

77. As noted above, the CRT is a vacuum tube that is coated on its inside face with light sensitive phosphors. An electron gun at the back of the vacuum tube emits electron beams. When the electron beams strike the phosphors, the phosphors produce red, green or blue light. A system of magnetic fields inside the CRT, as well as varying voltages, directs the beams to produce the desired colors. This process is rapidly repeated several times per second to produce the desired images.

78. The quality of a CRT display is dictated by the quality of the CRT itself. No external control or feature can make up for a poor quality tube. There are a few standard variations on CRTs such as screen size and tube size.

79. Recently, CRTs were the dominant technology used in displays, including television and computer monitors. During the Relevant Period, this translated into the sale of millions of CRTs, generating billions of dollars in annual profits.

### B. Structural Characteristics Of The CRT Market

80. The structural characteristics of the CRT market are conducive to the type of collusive activity alleged in this Complaint. These characteristics include market concentration, ease of information sharing, the consolidation of manufacturers, multiple interrelated business

relationships, significant barriers to entry, maturity of the CRT Product market and homogeneity of products.

**a. Market Concentration**

81. During the Relevant Period, the CRT industry was dominated by relatively few companies. In 2004, Co-conspirators Samsung SDI, LG.Philips Displays (n/k/a LP Displays), MT Picture Display and Defendant Chunghwa together held a collective 78% share of the global CRT market. The high concentration of market share facilitates coordination since there are fewer cartel members among which to coordinate pricing or allocate markets, and it is easier to monitor the pricing and production of other cartel members.

**b. Information Sharing**

82. Because of common membership in trade associations for the CRT market and related markets (*e.g.*, Thin Film Transistor Liquid Crystal Display “TFT-LCD”), interrelated business arrangements such as joint ventures, allegiances between companies in certain countries and relationships between the executives of certain companies, there were many opportunities for Defendants and Co-conspirators to discuss and exchange competitive information. The ease of communication was facilitated by the use of meetings, telephone calls, e-mails and instant messages. Defendants and Co-conspirators took advantage of these opportunities to exchange proprietary and competitively sensitive information and to discuss and agree upon their pricing for CRTs.

83. Co-conspirators Hitachi and Samsung and Defendant Chunghwa are all members of the Society for Information Display. Co-conspirator Samsung and LG Electronics, Inc. are two of the co-founders of the Korea Display Industry Association. Similarly, Daewoo, LG Electronics, LP Displays and Samsung are members of the Electronic Display Industrial Research Association. Upon information and belief, Defendants and Co-conspirators used these trade associations as vehicles for discussing and agreeing upon their pricing for CRTs. At the meetings of these trade associations, Defendants and Co-conspirators exchanged proprietary and competitively sensitive information which they used to implement and monitor the conspiracy.

**c. Consolidation**

1           84.       The CRT industry also had significant consolidation during the Relevant Period,  
2 including but not limited to: (a) the creation of LG.Philips Displays (n/k/a LP Displays) in 2001  
3 as a joint venture between Royal Philips and LG Electronics, Inc.; and (b) the 2002 merger of  
4 Toshiba and Matsushita/Panasonic's CRT business into MTPD.

5                   **d.       Multiple Interrelated Business Relationships**

6           85.       The CRT industry was close-knit. Multiple business relationships between  
7 supposed competitors blurred the lines of competition and provided ample opportunity to collude.  
8 These business relationships also created a unity of interest among competitors so that the  
9 conspiracy was easier to implement and enforce than if such interrelationships did not exist.

10          86.       Examples of the high degree of cooperation among Defendants and Co-  
11 conspirators in both the CRT market and other closely related markets include:

- 12           a.       The formation of the CRT joint venture LG.Philips Displays in 2001 by LG  
13                   Electronics, Inc. and Royal Philips.
- 14           b.       The formation of the CRT joint venture MTPD in 2003 by Co-Conspirators  
15                   Toshiba and Panasonic.
- 16           c.       In December 1995, Co-Conspirators Daewoo and Toshiba partnered with two  
17                   other non-Defendant entities to form TEDI which manufactured CRTs in  
18                   Indonesia.
- 19           d.       In 1995, Defendant Chunghwa entered into a technology transfer agreement  
20                   with Co-conspirator Toshiba for large CPTs.
- 21           e.       Co-conspirator Samtel participates in a joint venture, Samcor Glass Limited,  
22                   with Co-conspirator Samsung Electronics Co., Ltd. and non-Defendant  
23                   Corning Inc., USA for the production and supply of picture tube glass.
- 24           f.       Co-conspirator Samtel supplied CRTs to Co-conspirators LG Electronics, Inc.,  
25                   Samsung, and Panasonic.

26                   **e.       High Costs of Entry Into The Industry**

27          87.       There are substantial barriers to entry in the CRT industry. It would require  
28 substantial time, resources and industry knowledge to consider entering into the CRT industry as  
a result of the high barriers to entry. It was extremely unlikely that a new producer would have  
entered the market in light of the declining demand for CRTs.

**f.       The Maturity of The CRT Market**



1           88.       Newer industries are typically characterized by rapid growth, innovation and high  
2 profits. The CRT market is a mature one, and like many mature industries, is characterized by  
3 slim profit margins creating a motivation to collude.

4           89.       Demand for CRTs was declining throughout the Relevant Period. Static or  
5 declining demand is another factor which makes the formation of a collusive arrangement more  
6 likely because it provides a greater incentive to firms to avoid price competition.

7           90.       In addition, conventional CRT televisions and computer monitors were being  
8 rapidly replaced by TFT-LCD and plasma displays. This was one of the factors which led  
9 Defendants to engage in this alleged price fixing scheme in order to slow declining CRT prices.  
10 Between 2000 and 2006, revenues from the sale of CRT televisions in the United States declined  
11 by 50.7 percent and are predicted to decline by an additional 84.5 percent between 2006 and  
12 2010.

13          91.       Although demand was declining as a result of the popularity of flat-panel LCD/plasma  
14 televisions and LCD monitors, CRT televisions and monitors were still the dominant display  
15 technology during the Relevant Period. Due to the high costs of LCD panels and plasma displays  
16 during the Relevant Period, a substantial market for CRTs existed as a cheaper alternative to these  
17 new technologies.

18          92.       In 1999, CRT monitors accounted for 94.5 percent of the retail market for computer  
19 monitors in North America. By 2002, that figure had dropped to 73 percent; still a substantial share of  
20 the market.

21          93.       CRT televisions accounted for 73 percent of the North American television market in  
22 2004, and by the end of 2006, still held a 46 percent market share. CRT televisions continue to  
23 dominate the global television market, accounting for 75 percent of worldwide TV units in 2006.

24                   **g.       Homogeneity of CRTs**

25          94.       CRTs are commodity-like products which are manufactured in standardized sizes  
26 with standardized variations (e.g., tube size and differential yoke) that are common to all CRTs  
27 manufactured by those CRT manufacturers participating in this conspiracy. CRTs of a given size  
28 and variation can be used anywhere in the Northern Hemisphere for a CRT-containing product;

price differentials between regions where CRTs were manufactured were not large; prices were in U.S. dollars or for CRTs manufactured in China in Chinese Renminbi; and prices of CRTs were fixed by the conspiracy in U.S. dollars (or at a fixed exchange rate in China Renminbi).

95. It is easier to form and sustain a cartel when the product in question is homogenous and commodity-like because it is easier to agree on prices to charge and to monitor those prices once an agreement is formed.

**C. Genesis of Conspiracy**

96. The genesis of the CRT conspiracy was in the late 1980s as the CRT business became more international and the Defendants began serving customers that were also being served by other international CRT companies. During this period, the employees of Defendants would encounter employees from their competitors when visiting their customers. A culture of cooperation developed over the years and these Defendant employees would exchange market information on production, capacity and customers.

97. In the early 1990s, representatives from Samsung, Daewoo, Chunghwa and Orion visited each other's factories in Southeast Asia. During this period, these producers began to include discussions about price in their meetings. The pricing discussions were usually limited, however, to exchanges of the range of prices that each competitor had quoted to specific customers.

**D. Defendants' and Co-Conspirators' Illegal Agreements**

98. Plaintiffs are informed and believe, and thereon allege, that in order to control and maintain profitability during declining demand for CRTs, Defendants and their co-conspirators have engaged in a contract, combination, trust or conspiracy, the effect of which has been to raise, fix, maintain and/or stabilize the prices at which they sold CRTs to artificially inflated levels from at least March 1, 1995 through at least June 30, 2007.

99. The CRT conspiracy was effectuated through a combination of group and bilateral meetings. In the formative years of the conspiracy (1995-1996), bilateral discussions were the primary method of communication and took place on an informal, ad hoc basis. During this period, representatives from Co-conspirators LG, Samsung and Daewoo visited the other Co-

1 conspirator manufacturers including Philips, Thai CRT, Hitachi, Toshiba and Panasonic, and  
2 Defendant Chunghwa to discuss increasing prices for CRTs in general and to specific customers.  
3 These meetings took place in Taiwan, South Korea, Thailand, Japan, Malaysia, Indonesia and  
4 Singapore.

5 100. Co-conspirators Samsung, LG Electronics and Daewoo, and Defendant Chunghwa  
6 also attended several ad hoc group meetings during this period. The participants at these group  
7 meetings also discussed increasing prices for CRTs.

8 101. As more manufacturers formally entered the conspiracy, group meetings became  
9 more prevalent. Beginning in 1997, the Defendants and Co-Conspirators began to meet in a more  
10 organized, systematic fashion and a formal system of multilateral and bilateral meetings was put  
11 in place. Defendants' representatives attended hundreds of these meetings during the Relevant  
12 Period.

13 102. The overall CRT conspiracy raised and stabilized worldwide prices (including in  
14 the United States and California) that Defendants and their Co-conspirators charged for CRTs.

15  
16 **1. Cartel Structure**

17 103. Defendants' and Co-Conspirators' covert cartel evolved from ad hoc informal  
18 meetings to a structured yet still concealed cartel consisting of "Glass Meetings" or "GSM", the  
19 term used by Defendants to refer to a multi-tiered price-fixing structure consisting of "high-level"  
20 group meetings, "management" group meetings working-level group meetings, "Green Meetings"  
21 (so named because they involved golf outings) and bi-lateral meetings that were between one  
22 Defendant and another.

23 **a. "Glass Meetings"**

24 104. The group meetings among the participants in the CRT price-fixing conspiracy  
25 were referred to by the participants as "Glass Meetings" or "GSM." Glass Meetings were  
26 attended by employees at three general levels of the Defendants' and Co-Conspirators'  
27 corporations.

28 **1. "Top-Level Meetings"**

105. The first level of these meetings were attended by high level company executives including CEOs, Presidents and Vice Presidents, and were known as "Top-Level Meetings." Top-Level Meetings occurred less frequently, typically quarterly, and were focused reaching agreements and resolving disputes. Because attendees at Top Meetings had decision-making authority as well as more reliable information, these meetings most often were the ones that resulted in agreements. Attendees at Top-Level Meetings were also able to resolve disputes because they were decision makers who could make agreements.

## 2. "Management Meetings"

106. The second level of meetings were attended by the Co-Conspirators' and Defendants' high level sales managers and were known as "Management Meetings." These meetings occurred more frequently, typically monthly, and handled implementation and enforcement of the agreements made at Top Meetings.

### 3. “Working Level Meetings”

107. Finally, the third level of meetings were known as "Working Level Meetings" and were attended by lower level sales and marketing employees. These meetings generally occurred on a weekly or monthly basis and were mostly limited to the exchange of information and the discussion of pricing since the lower level employees did not have the authority to enter into agreements. These lower level employees would then transmit the competitive information up the corporate reporting chain to those individuals with pricing authority. The Working Level Meetings also tended to be more regional and often took place near Co-conspirators' and Defendants' factories. In other words, the Taiwanese manufacturers' employees met in Taiwan, the Korean manufacturers' employees met in Korea, the Chinese in China, and so on. The Chinese Glass Meetings began in 1998 and generally occurred on a monthly basis following a top or management level meeting. The China meetings had the principal purpose of reporting what had been decided at the most recent Glass Meeting to the Chinese manufacturers. Participants at the Chinese meetings included the manufacturers located in China, such as IRICO and BMCC, as well as the China-based branches of the other Defendants and Co-conspirators, including but not limited to Hitachi Shenzhen, Samsung SDI Shenzhen and Samsung SDI Tianjin, and Chunghwa.

1       108.     Glass Meetings also occurred occasionally in various European countries.  
2     Attendees at these meetings included those Co-conspirators and Defendants which had  
3     subsidiaries and/or manufacturing facilities located in Europe, including LG, LP Displays,  
4     Samsung, Daewoo (usually DOSA attended these meetings on behalf of Daewoo), IRICO, and  
5     Chunghwa.

6                               **b.       “Green Meetings”**

7       109.     Representatives of the Defendants and Co-Conspirators also attended what were  
8     known amongst members of the conspiracy as “Green Meetings.” These were meetings held on  
9     golf courses. The Green Meetings were generally attended by top and management level  
10    employees of the Defendants and Co-Conspirators.

11       110.     During the Relevant Period Green Meetings took place in Taiwan, South Korea,  
12    Europe, China, Singapore, Japan, Indonesia, Thailand and Malaysia.

13                               **c.       Structure of Top-Level Glass Meetings and Nature of Agreements**  
14                               **Reached**

15       111.     Participants would often exchange competitively sensitive information prior to a  
16    Top-Level Glass Meeting. This included information on inventories, production, sales and  
17    exports. For some such meetings, where information could not be gathered in advance of the  
18    meeting, it was brought to the meeting and shared.

19       112.     The Top-Level Meetings allowed participants to make agreements and resolve  
20    disputes.

21       113.     At all levels, the meetings followed a fairly typical agenda. First, the participants  
22    exchanged competitive information such as proposed future CRT pricing, sales volume, inventory  
23    levels, production capacity, exports, customer orders, price trends and forecasts of sales volumes  
24    for coming months. The participants also updated the information they had provided in the  
25    previous meeting. Each meeting had a “Chairman” who would often write the information on a  
26    white board. The meeting participants then used this information to discuss and agree upon what  
27    price each would charge for CRTs to be sold in the following month or quarter. They discussed  
28    and agreed upon target prices, price increases, so-called “bottom” prices, and price ranges for

1 CRTs. They also discussed and agreed upon prices of CRTs that were sold to specific customers,  
2 and agreed upon target prices to be used in negotiations with large customers. Having analyzed  
3 the supply and demand, the participants would also discuss and agree upon production cutbacks  
4 for CRTs.

5 114. During periods of oversupply, the focus of the meeting participants turned to  
6 making controlled and coordinated price reductions. This was referred to as setting a "bottom  
7 price."

8 115. Defendants and Co-conspirators' conspiracy included agreements on the "transfer"  
9 prices at which certain participants would sell CRTs to their own corporate subsidiaries and  
10 affiliates that manufactured end products, such as televisions and computer monitors. Defendants  
11 and Co-conspirators realized the importance of keeping the internal pricing to these subsidiaries  
12 and affiliates at a high enough level to support CRT pricing in the market because (a) other  
13 Defendants and Co-Conspirators could also, and did, sell to these corporate affiliates and  
14 subsidiaries and (b) the fixing of this transfer pricing would indirectly support prices as to CRTs  
15 sold to other, independent, original equipment manufacturers of CRT-containing products. In this  
16 way, Defendants and Co-conspirators ensured that all direct purchaser OEMs paid  
17 supracompetitive prices for CRTs.

18 116. Each of the Defendants and Co-conspirators knew, and, on information and belief,  
19 tracked the end price of CRT-containing products. The profit margins of CRT-containing  
20 products were relevant because the higher the margin the more that Defendants and Co-  
21 conspirators could make price increases as to CRTs stick.

- 22 117. The agreements reached at these Top-Level Meetings included, inter alia:
- 23 a. agreements on CRT prices, including establishing target prices, "bottom"  
24 prices, price ranges and price guidelines;
  - 25 b. placing agreed-upon price differentials on various attributes of CRTs, such as  
26 quality or certain technical specifications;
  - 27 c. agreements on pricing for intra-company CRT sales to vertically integrated  
28 customers;

- d. agreements as to what to tell customers about the reason for a price increase;
- e. agreements to coordinate with competitors that did not attend the group meetings and agreements with them to abide by the agreed-upon pricing;
- f. agreements to coordinate pricing with CRT manufacturers in other geographic markets such as Brazil, Europe and India;
- g. agreements to exchange pertinent information regarding shipments, capacity, production, prices and customers demands;
- h. agreements to coordinate uniform public statements regarding available capacity and supply;
- i. agreements to allocate both overall market shares and share of a particular customer's purchases as to CDTs;
- j. agreements to allocate customers as to CDTs;
- k. agreements regarding capacity as to CDTs, including agreements to restrict output and to audit compliance with such agreements; and
- l. agreements to keep their meetings secret.

**d. Enforcement of Cartel Agreements**

118. Efforts were made to monitor each Defendant and Co-conspirator's adherence to these agreements in a number of ways, including seeking confirmation of pricing both from customers and from employees of the Defendants and the Co-Conspirators themselves. When cheating did occur, it was addressed in at least four ways: 1) monitoring; 2) attendees at the meetings challenging other attendees if they did not live up to an agreement; 3) threats to undermine a competitor at one of its principal customers; and 4) a recognition in a mutual interest in living up to the target price and living up to the agreements that had been made.

119. As market conditions worsened in 2005-2007, and the rate of replacement of CRTs by TFT-LCDs increased, the group Glass Meetings became less frequent while bilateral meetings continued.

1           120.     Certain Defendants and Co-conspirators were also assigned to complete "audits",  
2     in which those companies agreed to visit other defendants and co-conspirators to check on  
3     compliance with agreed-upon output restrictions.

4                           **e.       Supplemental Bilateral Discussions**

5           121.     Throughout the Relevant Period, the Glass Meetings were supplemented by  
6     bilateral discussions between various Defendants and Co-conspirators. The bilateral discussions  
7     were more informal than the group meetings and occurred on an often frequent, but ad hoc basis,  
8     between the group meetings. These discussions, usually between sales and marketing employees,  
9     took the form of in-person meetings, telephone contacts and emails.

10          122.     During the Relevant Period, in-person bilateral meetings took place in Malaysia,  
11     Indonesia, Taiwan, China, the United Kingdom, Singapore, South Korea, Japan, Thailand, Brazil and  
12     Mexico.

13          123.     The purpose of the bilateral discussions was to exchange information about past and  
14     future pricing, confirm production levels, share sales order information, confirm pricing rumors, and  
15     coordinate pricing with CRT manufacturers whose factories were located in other geographic  
16     locations, including Brazil, Mexico and Europe, including CRT manufacturers who did not attend the  
17     group Glass Meetings.

18          124.     In particular, in order to ensure the efficacy of their global conspiracy, based on  
19     information and belief, the Defendants and Co-conspirators also used bilateral meetings to coordinate  
20     pricing with their CRT manufacturers in Brazil and Mexico, such as Samsung SDI Brazil and  
21     Samsung SDI Mexico. These Brazilian and Mexican manufacturers were particularly important  
22     because they served the North American market for CRTs. As further alleged herein, North America  
23     was the largest market for CRT televisions and computer monitors during the Relevant Period.  
24     Because these Brazilian and Mexican manufacturers were all wholly-owned and controlled  
25     subsidiaries of Co-conspirators Samsung SDI, they adhered to the unlawful price-fixing agreements.  
26     In this way, the Defendants and Co-conspirators ensured that prices of all CRTs imported into the  
27     United States were fixed, raised, maintained and/or stabilized at supracompetitive levels.  
28



1           125.     Based on information and belief, Defendants and Co-conspirators also used bilateral  
2 discussions with each other during price negotiations with customers to avoid being persuaded by  
3 customers to cut prices. The information gained in these communications was then shared with  
4 supervisors and taken into account in determining the price to be offered.

5           126.     And, bilateral discussions were used to coordinate prices with CRT manufacturers that  
6 did not ordinarily attend the group meetings, such as Co-conspirators Hitachi, Toshiba, Panasonic,  
7 Thai CRT and Samtel. It was often the case that in the few days following a Top or Management  
8 Meeting, the attendees at these group meetings would meet bilaterally with the other Co-conspirator  
9 manufacturers for the purpose of communicating whatever CRT pricing and/or output agreements had  
10 been reached during the meeting. For example, Samsung had a relationship with Hitachi and was  
11 responsible for communicating CRT pricing agreements to Hitachi. LG had a relationship with  
12 Toshiba and was responsible for communicating CRT pricing agreements to Toshiba. And Thai CRT  
13 had a relationship with Samtel and was responsible for communicating CRT pricing agreements to  
14 Samtel. Hitachi, Toshiba and Samtel implemented the agreed-upon pricing as conveyed by Samsung,  
15 LG and Thai CRT. Sometimes, Hitachi and Toshiba also attended the group Glass Meetings. In this  
16 way, Hitachi, Toshiba and Samtel participated in the conspiracy to fix prices of CRTs.

17                   **2.     Defendants' And Co-Conspirators' Individual Participation In Group**  
18                   **And Bilateral Discussions**

19           127.     Between at least 1995 and 2007, Samsung, through SEC, Samsung SDI, Samsung  
20 SDI Malaysia, Samsung SDI Shenzhen and Samsung SDI Tianjin, participated in at least 200  
21 Glass Meetings at all levels. A substantial number of these meetings were attended by the highest  
22 ranking executives from Samsung. Samsung also engaged in bilateral discussions with each of the  
23 other Defendants on a regular basis. Through these discussions, Samsung agreed on prices and  
24 supply levels for CRTs.

25           128.     SEAI, Samsung SDI America, Samsung SDI Brazil and Samsung SDI Mexico  
26 were represented at those meetings and were a party to the agreements entered at them. To the  
27 extent SEC and SEAI sold and/or distributed CRTs, they played a significant role in the  
28 conspiracy because they wished to ensure that the prices for CRTs paid by direct purchasers

1 would not undercut the CRT pricing agreements reached at the Glass Meetings. Thus, SEAI,  
2 Samsung SDI America, Samsung SDI Brazil and Samsung SDI Mexico were active, knowing  
3 participants in the alleged conspiracy.

4 129. Between at least 1995 and 2001, LG Electronics, through LG Electronics, Inc. and  
5 LGETT, participated in at least 100 Glass Meetings at all levels. After 2001, LG Electronics  
6 participated in the CRT conspiracy through its joint venture with Philips, LG.Philips Displays  
7 (n/k/a LP Displays). A substantial number of these meetings were attended by the highest ranking  
8 executives from LG Electronics. LG Electronics also engaged in bilateral discussions with each  
9 of the other Defendants on a regular basis. Through these discussions, LG Electronics agreed on  
10 prices and supply levels for CRTs. LG Electronics never effectively withdrew from this  
11 conspiracy.

12 130. LGEUSA was represented at those meetings and was a party to the agreements  
13 entered at them. To the extent LGEUSA sold and/or distributed CRTs, they played a significant  
14 role in the conspiracy because they wished to ensure the prices for CRTs paid by direct  
15 purchasers would not undercut the pricing agreements reached at the Glass Meetings. Thus,  
16 LGEUSA was an active, knowing participant in the alleged conspiracy.

17 131. Between at least 2001 and 2006, LP Displays (f/k/a LG.Philips Displays)  
18 participated in at least 100 Glass Meetings at all levels. A substantial number of these meetings  
19 were attended by the highest ranking executives from LP Displays. Certain of these high level  
20 executives from LP Displays had previously attended meetings on behalf of LG. LP Displays also  
21 engaged in bilateral discussions with other Defendants. Through these discussions, LP Displays  
22 agreed on prices and supply levels for CRTs.

23 132. Between at least 1995 and 2006, Defendants Chunghwa, through Chunghwa  
24 Picture Tubes, Chunghwa Malaysia, and representatives from their factories in Fuzhou (China)  
25 and Scotland, participated in at least 100 Glass Meetings at all levels. A substantial number of  
26 these meetings were attended by the highest ranking executives from Chunghwa, including the  
27 former Chairman and CEO of Chunghwa, C.Y. Lin. Chunghwa also engaged in bilateral  
28

1 discussions with each of the other Defendants on a regular basis. Through these discussions,  
2 Chunghwa agreed on prices and supply levels for CRTs.

3 133. Between at least 1995 and 2004, Daewoo, through Daewoo Electronics, Orion and  
4 DOSA, participated in at least 100 Glass Meetings at all levels. A substantial number of these  
5 meetings were attended by the highest ranking executives from Daewoo. Daewoo also engaged in  
6 bilateral discussions with other Defendants on a regular basis. Through these discussions,  
7 Daewoo agreed on prices and supply levels for CRTs. Bilateral discussions with Daewoo  
8 continued until Orion, its wholly-owned CRT subsidiary, filed for bankruptcy in 2004. Daewoo  
9 never effectively withdrew from this conspiracy.

10 134. Between at least 1995 and 2003, Toshiba, through Toshiba Corporation, TDDT  
11 and TEDI, participated in several Glass Meetings. After 2003, Toshiba participated in the CRT  
12 conspiracy through its joint venture with Panasonic, MTPD. These meetings were attended by  
13 high level sales managers from Toshiba and MTPD. Toshiba also engaged in multiple bilateral  
14 discussions with other Defendants, particularly with LG Electronics. Through these discussions,  
15 Toshiba agreed on prices and supply levels for CRTs. Toshiba never effectively withdrew from  
16 this conspiracy.

17 135. Toshiba America, Inc., TACP, TAIP and TAEC were represented at those  
18 meetings and were a party to the agreements entered at them. To the extent Toshiba America,  
19 Inc., TACP, TAIP and TAEC sold and/or distributed CRTs to direct purchasers, they played a  
20 significant role in the conspiracy because Defendants wished to ensure that the prices for CRTs  
21 paid by direct purchasers would not undercut the pricing agreements reached at the Glass  
22 Meetings. Thus, Toshiba America, TACP, TAIP and TAEC were active, knowing participants in  
23 the alleged conspiracy.

24 136. Between at least 1996 and 2001, Hitachi, through Hitachi, Ltd., Hitachi Displays,  
25 Hitachi Shenzhen and Hitachi Asia, participated in several Glass Meetings. These meetings were  
26 attended by high level sales managers from Hitachi. Hitachi also engaged in multiple bilateral  
27 discussions with other Defendants, particularly with Samsung. Through these discussions, Hitachi  
28

1 agreed on prices and supply levels for CRTs. Hitachi never effectively withdrew from this  
2 conspiracy.

3 137. Hitachi America and HEDUS were represented at those meetings and were a party  
4 to the agreements entered at them. To the extent Hitachi America and HEDUS sold and/or  
5 distributed CRTs to direct purchasers, they played a significant role in the conspiracy because  
6 Defendants wished to ensure that the prices for CRTs paid by direct purchasers would not  
7 undercut the pricing agreements reached at the Glass Meetings. Thus, Hitachi America and  
8 HEDUS were active, knowing participants in the alleged conspiracy.

9 138. Between at least 1996 and 2003, Panasonic (known throughout the Relevant  
10 Period as Matsushita Electric Industrial Co., Ltd.), through Panasonic Corporation and Matsushita  
11 Malaysia, participated in several Glass Meetings. After 2003, Panasonic participated in the CRT  
12 conspiracy through its joint venture with Toshiba, MTPD. These meetings were attended by high  
13 level sales managers from Panasonic and MTPD. Panasonic also engaged in multiple bilateral  
14 discussions with Defendants and other Co-conspirators. Through these discussions, Panasonic  
15 agreed on prices and supply levels for CRTs. Panasonic never effectively withdrew from this  
16 conspiracy.

17 139. Panasonic NA was represented at those meetings and was a party to the  
18 agreements entered at them. To the extent Panasonic NA sold and/or distributed CRTs to direct  
19 purchasers, it played a significant role in the conspiracy because Defendants wished to ensure that  
20 the prices for CRTs paid by direct purchasers would not undercut the pricing agreements reached  
21 at the Glass Meetings. Thus, Panasonic NA was an active, knowing participant in the alleged  
22 conspiracy.

23 140. Between at least 2003 and 2006, MTPD participated in multiple Glass Meetings  
24 and in fact led many of these meetings during the latter years of the conspiracy. These meetings  
25 were attended by high level sales managers from MTPD. MTPD also engaged in bilateral  
26 discussions with Defendants and other Co-conspirators. Through these discussions, MTPD agreed  
27 on prices and supply levels for CRTs.

28

1           141.     Between at least 1998 and 2007, BMCC participated in multiple Glass Meetings.  
2     These meetings were attended by high level sales managers from BMCC. BMCC also engaged in  
3     multiple bilateral discussions with other Defendants, particularly the other Chinese CRT  
4     manufacturers. Through these discussions, BMCC agreed on prices and supply levels for CRTs.  
5     None of BMCC's conspiratorial conduct in connection with CRT was mandated by the Chinese  
6     government. BMCC was acting to further its own independent private interests in participating in  
7     the alleged conspiracy.

8           142.     Between at least 1998 and 2007, IRICO, through IGC, IGE and IDDC,  
9     participated in multiple Glass Meetings. These meetings were attended by the highest ranking  
10    executives from IRICO. IRICO also engaged in multiple bilateral discussions with other  
11    Defendants, particularly with other Chinese manufacturers. Through these discussions, IRICO  
12    agreed on prices and supply levels for CRTs. None of IRICO's conspiratorial conduct in  
13    connection with CRT was mandated by the Chinese government. IRICO was acting to further its  
14    own independent private interests in participating in the alleged conspiracy.

15          143.     Between at least 1997 and 2006, Thai CRT participated in multiple Glass  
16    Meetings. These meetings were attended by the highest ranking executives from Thai CRT. Thai  
17    CRT also engaged in multiple bilateral discussions with other Defendants, particularly with  
18    Samtel. Through these discussions, Thai CRT agreed on prices and supply levels for CRTs. Thai  
19    CRT never effectively withdrew from this conspiracy.

20          144.     Between at least 1998 and 2006, Samtel participated in multiple bilateral  
21    discussions with other Defendants, particularly with Thai CRT. These meetings were attended by  
22    high level executives from Samtel. Through these discussions, Samtel agreed on prices and  
23    supply levels for CRTs. Samtel never effectively withdrew from this conspiracy.

24          145.     When Plaintiffs refer to a corporate family or companies by a single name in their  
25    allegations of participation in the conspiracy, Plaintiffs are alleging that one or more employees  
26    or agents of entities within the corporate family engaged in conspiratorial meetings on behalf of  
27    every company in that family. In fact, the individual participants in the conspiratorial meetings  
28    and discussions did not always know the corporate affiliation of their counterparts, nor did they

1 distinguish between the entities within a corporate family. The individual participants entered into  
2 agreements on behalf of, and reported these meetings and discussions to, their respective  
3 corporate families. As a result, the entire corporate family were represented in meetings and  
4 discussions by their agents and were parties to the agreements reached in them.

5       **E. The CRT Market During The Conspiracy As a Result of Defendants'**  
6       **Concealed Collusive Activities**

7       146. Until recently, CRTs were the dominant technology used in displays, including  
8 television and computer monitors. During the Relevant Period, this translated into the sale of  
9 millions of CRTs, generating billions of dollars in annual profits.

10       147. The following data was reported by Stanford Resources, Inc., a market research  
11 firm focused on the global electronic display industry:

Year	Units Sold (millions)	Revenue (billion US dollars)	Average Selling Price Per Unit
1998	90.5	\$18.9	\$208
1999	106.3	\$19.2	\$181
2000	119.0	\$28.0	\$235

15       148. During the Relevant Period, North America was the largest market for CRT TVs  
16 and computer monitors. According to a report published by Fuji Chimera Research, the 1995  
17 worldwide market for CRT monitors was 57.8 million units, 28 million of which (48.5 percent)  
18 were consumed in North America. By 2002, North America still consumed around 35 percent of  
19 the world's CRT monitor supply. *See, The Future of Liquid Crystal and Related Display*  
20 *Materials*, Fuji Chimera Research, 1997, p.12.

21       149. Defendants and Co-Conspirators' collusion is evidenced by unusual price  
22 movements in the CRT market during the Relevant Period. In the 1990s, industry analysts  
23 repeatedly predicted declines in consumer prices for CRTs that did not fully materialize. For  
24 example, in 1992, an analyst for Market Intelligent Research Corporation predicted that,  
25 "[e]conomies of scale, in conjunction with technological improvements and advances in  
26 manufacturing techniques, will produce a drop in the price of the average electronic display to  
27  
28

1 about \$50 in 1997.” Information Display 9/92 p.19. Despite such predictions, and the existence of  
2 economic conditions warranting a drop in prices, CRT prices nonetheless remained stable.

3 150. In 1996, another industry source noted that “the price of the 14” tube is at a  
4 sustainable USD50 and has been for some years....”

5 151. In early 1999, despite declining production costs and the rapid entry of flat panel  
6 display products, the price of large sized color CRTs actually rose. The price increase was  
7 allegedly based on increasing global demand. In fact, this price increase was a result of the  
8 collusive conduct as herein alleged.

9 152. After experiencing oversupply of 17” CRTs in the second half of 1999, the average  
10 selling price of CRTs rose again in early 2000. A March 13, 2000 article in *Infotech Weekly*  
11 quoted an industry analyst as saying that this price increase was “unlike most other PC-related  
12 products.”

13 153. A BNET Business Network news article from August 1998 reported that “key  
14 components (cathode ray tubes) in computer monitors have risen in price. ‘Although several  
15 manufacturers raised their CRT prices in the beginning of August, additional CRT price increases  
16 are expected for the beginning of October....While computer monitor price increases may be a  
17 necessary course of action, we [CyberVision, a computer monitor manufacturer] do not foresee a  
18 drop in demand if we have to raise our prices relative to CRT price increases.’”

19 154. A 2004 article from Techtree.com reports that various computer monitor  
20 manufacturers, including LG Electronics, Philips and Samsung, were raising the price of their  
21 monitors in response to increases in CRT prices caused by an alleged shortage of glass shells used  
22 to manufacture the tubes. Philips is quoted as saying that, “It is expected that by the end of  
23 September this year [2004] there will be 20% hike in the price of our CRT monitors.”

24 155. Defendants also conspired to limit production of CRTs by shutting down  
25 production lines for days at a time, and closing or consolidating their manufacturing facilities.

26 156. For example, the Defendants’ CRT factory utilization percentage fell from 90  
27 percent in the third quarter of 2000 to 62 percent in the first quarter of 2001. This is the most  
28 dramatic example of a drop in factory utilization. There were sudden drops throughout the

1 Relevant Period but to a lesser degree. Plaintiffs are informed and believe that these sudden,  
2 coordinated drops in factory utilization by the Defendants were the result of Defendants and Co-  
3 conspirators' agreements to decrease output in order to stabilize the prices of CRTs.

4 157. During the Relevant Period, while demand in the United States for CRTs  
5 continued to decline, Defendants' conspiracy was effective in moderating the normal downward  
6 pressures on prices for CRTs caused by the entry and popularity of the new generation LCD  
7 panels and plasma display products. As Finsen Yu, President of Skyworth Macao Commercial  
8 Offshore Co., Ltd., a television maker, was quoted in January of 2007, "[t]he CRT technology is  
9 very mature; prices and technology have become stable."

10 158. During the Relevant Period, there were not only periods of unnatural and sustained  
11 price stability, but there were also increases in prices of CRTs. These price increases were despite  
12 the declining demand due to the approaching obsolescence of CRTs caused by the emergence of a  
13 new, potentially superior and clearly more popular, substitutable technology.

14 159. These price increases and price stability in the market for CRTs during the  
15 Relevant Period are inconsistent with a competitive market for a product facing rapidly  
16 decreasing demand caused by a new, substitutable technology.

17 **F. Government Antitrust Investigations and Fines**

18 160. On or around October 7, 2009, the Japan Fair Trade Commission concluded that  
19 six companies (MT Picture Display, Samsung SDI, LG Philips, P.T. LP Displays, Chunghwa, and  
20 Thai CRT) participated in the conspiracy and imposed approximately \$43 million in fines.

21 161. On or around January 27, 2011, the Korean Fair Trade Commission ("KFTC")  
22 imposed a total surcharge of 26,271 million Won (approximately (US) \$23.5 million) on Co-  
23 conspirators Samsung SDI, LG Philips Display Korea Co., Ltd. and CPTF Optronics Co., Ltd,  
24 and Defendants Chunghwa, Chunghwa Malaysia for violating the Korean Monopoly Regulation  
25 and Fair Trade Act. The KFTC found that these five Defendants and Co-conspirators agreed to  
26 fix prices and reduce output of CDTs between November 1996 and March 2006.

27 162. On or around May 12, 2011, in a case entitled *United States of America v.*  
28 *Samsung SDI Company, Ltd.*, Case No. CR 11-0162 (WHA) Samsung SDI, pled guilty to a one-



1 count charge of participating in a conspiracy to suppress and eliminate competition by fixing  
2 prices, reducing output and allocating market shares of CDTs sold in the United States and  
3 elsewhere from at least as early as January 1997, until at least as late as March 2006, in violation  
4 of the Sherman Antitrust Act, 15 U.S.C. § 1.

5 163. The Court found that in furtherance of the conspiracy, Samsung SDI, through its  
6 officers and employees, engaged in discussions and attended meetings with representatives of  
7 other major CDT producers. During these discussions and meetings agreements were reached to  
8 fix prices, reduce output, and allocate market shares of CDTs to be sold in the United States and  
9 elsewhere. The Northern District of California assessed Samsung SDI a criminal fine of \$32  
10 million. As set forth in the Amended Plea Agreement, Samsung SDI's acts in furtherance of this  
11 conspiracy were carried out within the State of California.

12 164. On September 13, 2010, the Czech Republic's Office for the Protection of  
13 Competition ("The Office") imposed a fine of CZK 51.787 million (approximately US\$2.8  
14 million) on Co-conspirator Samsung SDI Co., Ltd., Koninklijke Philips Electronics N.V.,  
15 Panasonic Corporation, MT Picture Display Co., Ltd., Toshiba Corporation and LG Electronics,  
16 Inc., and Defendant Chunghwa Picture Tubes, Ltd. The Office concluded the Defendants and  
17 Co-conspirators met in Asian and European countries in order to conclude and fulfill a cartel  
18 agreement in the market for CPTs. The cartel for CPTs was complex and included rules for  
19 cooperation and even checks on participant behavior.

## 20 VII. THE PASS-THROUGH OF OVERCHARGES TO CONSUMERS

21 165. Defendants' and their co-conspirators' conspiracy to fix, raise, maintain and  
22 stabilize the price of CRTs at artificial levels resulted in harm to Plaintiffs because it resulted in  
23 Plaintiffs paying higher prices for CRTs than they would have paid in the absence of Defendants'  
24 and their Co-conspirators' conspiracy. The prices agreed to for CRTs were in \$ U.S. dollars or in  
25 Chinese Renminbi that involved an agreed-to exchange rate into U.S. dollars so as not to  
26 undermine prices of CRTs in U.S. dollars. Based on information and belief, the overcharges at  
27 issue were passed on to Plaintiffs. As the USDOJ acknowledged in announcing the indictment of  
28

1 Chunghwa's former Chairman and CEO, "[t]he conspiracy harmed countless Americans who  
2 purchased computers and televisions using cathode ray tubes sold at fixed prices."

3 166. The Defendants and Co-conspirators identified above that attended the Glass  
4 Meetings, monitored the prices of televisions and computer monitors sold in the United States and  
5 elsewhere on a regular basis. The purpose and effect of investigating such retail market data was  
6 at least three fold. First, it permitted Defendants and Co-conspirators, such as Chunghwa, which  
7 did not manufacture CRT televisions or computer monitors the way that Samsung, LG  
8 Electronics, Daewoo, Panasonic, Toshiba, and Hitachi did, to police the price fixing agreements  
9 to make sure that intra-Defendant CRT sales were kept at supracompetitive levels.

10 167. Secondly, it permitted all Defendants and their Co-conspirators to police their  
11 price fixing agreement as relating to independent OEMs who would reduce prices for finished  
12 goods if there was a corresponding reduction in CRT prices from other Defendants and Co-  
13 conspirators.

14 168. Finally, as discussed above, Defendants and their Co-conspirators used the prices  
15 of finished products to analyze whether they could increase prices or should agree to a "bottom"  
16 price instead to halt any declines.

17 169. The market for CRTs and the market for CRT-containing products are inextricably  
18 linked. One exists to serve the other as CRTs have no value apart from the products into which  
19 they are placed.

20 170. Finally, many of the Defendants and/or Co-conspirators themselves have been and  
21 are currently manufacturers of CRT televisions and computer monitors. Such manufacturers  
22 include, for example, Samsung, LG, Hitachi, Toshiba, and Panasonic. Having agreed to fix prices  
23 for CRTs, based on information and belief, these Defendants and their Co-conspirators intended  
24 to pass on the full costs of this component in their finished products to the Plaintiffs, and in fact  
25 did so.

26 171. As a direct and proximate result of Defendants' and their Co-conspirators' illegal  
27 conduct, including output and market allocation restrictions as to CRTs, Plaintiffs have been  
28

1 forced to pay supra-competitive prices for CRT-containing products. These inflated prices have  
2 been passed on to them by direct purchaser manufacturers, distributors and retailers.

### 3 **VIII. ASSIGNMENT CLAUSES**

4 172. By operation of sections 4552-4554 of the California Government Code,  
5 contractors who sell products or services to political subdivisions or public agencies assign to the  
6 purchasing political subdivision or public agency all claims those contractors have against others  
7 for violation of state antitrust laws.

8 173. Contractors to Plaintiffs (the State of California and the political entities or public  
9 agencies listed under IV(a) of this Complaint), such as OEMs, distributors, and other vendors,  
10 purchased CRTs directly from the Defendants for resale to others. These OEMs, distributors and  
11 other vendors ("CRT Resellers") sold the CRTs, and also incorporated the CRTs into CRT  
12 products sold by CRT Resellers.

13 174. CRT Resellers paid higher-than-competitive prices for CRTs as result of the  
14 Defendants' and their Co-conspirators' unlawful conduct.

15 175. Plaintiffs the State of California and the political entities or public agencies listed  
16 under IV(a) of this Complaint bought CRTs from CRT Resellers pursuant to bid documents,  
17 contracts and/or purchasing agreements. By operation of law, these bid documents, contracts  
18 and/or purchasing agreements contained clauses that assigned to the respective plaintiff  
19 (hereinafter "Assignees") all of the CRT Resellers' antitrust claims under state and federal laws  
20 relating to the CRTs that the CRT Resellers had purchased and then resold to the political  
21 subdivisions and public agencies.

#### 22 **A. Assignment of Direct Claims**

23 176. The assignment clauses assigned to the Assignees the "direct purchaser" antitrust  
24 claims of CRT Resellers that had purchased CRTs directly from the Defendants and their Co-  
25 conspirators. The direct purchaser antitrust claims assigned to the Assignees retain their original  
26 character as direct purchaser claims. With the assignment of these direct purchaser claims from  
27 CRT Resellers, the Assignees received all right, title, and interest that the CRT Resellers had in  
28 those claims against the Defendants and their Co-conspirators.

1           **B. Assignment of Indirect Claims**

2           177. California state law allows for recovery of antitrust damages by "indirect  
3 purchasers." Because the assignment clauses assigned antitrust claims under state law, the  
4 assignment clauses assigned not only "direct purchaser" claims, but also the "indirect purchaser"  
5 claims of CRT Resellers that had purchased CRTs from other CRT Resellers.

6           178. The effect of this assignment clause was to transfer the bidding CRT Reseller's  
7 causes of action against the Defendants and their Co-conspirators under the California Cartwright  
8 Act (direct and indirect purchaser claims) to the respective plaintiff.

9                                   **IX. FRAUDULENT CONCEALMENT**

10          179. Throughout the Relevant Period, Defendants and their Co-conspirators  
11 affirmatively and fraudulently concealed their unlawful conduct from Plaintiffs.

12          180. Plaintiffs did not discover, and could not discover through the exercise of  
13 reasonable diligence, that Defendants and their Co-conspirators were violating the law as alleged  
14 herein until long after the commencement of their cartel. Nor could Plaintiffs have discovered the  
15 violations earlier than that time because Defendants conducted their conspiracy in secret,  
16 concealed the nature of their unlawful conduct and acts in furtherance thereof, and fraudulently  
17 concealed their activities through various other means and methods designed to avoid detection.  
18 In addition, the conspiracy was by its nature self-concealing.

19          181. Defendants and their Co-conspirators engaged in a successful, illegal price-fixing  
20 conspiracy with respect to CRTs, which they affirmatively concealed, in at least the following  
21 respects:

- 22           a. By agreeing among themselves not to discuss publicly, or otherwise reveal, the nature  
23           and substance of the acts and communications in furtherance of their illegal scheme, and  
24           by agreeing to expel those who failed;
- 25           b. By agreeing among themselves to limit the number of representatives from each  
26           Defendant and Co-conspirator attending the meetings so as to avoid detection;
- 27  
28

- 1 c. By agreeing among themselves on what to tell their customers about price changes,  
2 and agreeing upon which attendee would communicate the price change to which  
3 customer;  
4  
5 d. By agreeing among themselves to quote higher prices to certain customers than the  
6 fixed price in effect to give the appearance that the price was not fixed; and  
7  
8 e. By agreeing among themselves upon the content of public statements regarding  
9 capacity and supply.

10 182. Plaintiffs had no knowledge of the combination and conspiracy described herein,  
11 or any facts that might have led to the discovery of the conspiracy in the exercise of reasonable  
12 diligence, at least before November 8, 2007 as that was the date on which the European  
13 Commission announced its investigation into the CRT industry.

14 183. Defendants' and their Co-conspirators effective, affirmative and fraudulent  
15 concealment was a substantial factor in causing Plaintiffs' harm.

16 184. As a result of the fraudulent concealment of the conspiracy, Plaintiffs assert the  
17 tolling of the applicable statute of limitations affecting Plaintiffs' claims.

## 18 X. INJURY

19 185. But for Defendants' and their Co-conspirators' anticompetitive acts, Plaintiffs  
20 would have been able to purchase CRTs at lower prices, and/or would have been able to purchase  
21 more capable, larger and/or higher performance CRTs than were actually offered for sale to them.

22 186. Defendants' and their Co-conspirators' unlawful conduct alleged in this Complaint  
23 had a direct, substantial and reasonably foreseeable effect on United States and California  
24 commerce. As a direct and proximate result of the unlawful conduct alleged in this Complaint,  
25 Plaintiffs were unable to purchase CRTs at prices that were determined by free and open  
26 competition. Consequently, Plaintiffs have been injured in their business and property in that,  
27 *inter alia*, they have paid more and continue to pay more for such products than they would have  
28 paid in a free and open, competitive market, and were not offered more capable, larger and/or  
higher performance products that would have been offered in a free and open competitive market.

187. As a direct and proximate result of the unlawful conduct alleged in this Complaint, some Plaintiffs were unable to purchase CRTs at prices that were determined by free and open competition. Defendants' and their Co-conspirators' conduct has resulted in deadweight loss to the economy of the State of California, including *inter alia*, reduced output, higher prices, and reduction in consumer welfare.

188. As a direct and proximate result of the unlawful conduct alleged above, Defendants and their co-conspirators benefitted unjustly from the supra-competitive and artificially inflated prices and profits on their sale of CRTs resulting from their unlawful and inequitable conduct, and have thus far retained the illegally obtained profits.

## XI. CLASS ACTION ALLEGATIONS

189. The Attorney General brings this action on behalf of the City and County of San Francisco, and all others similarly situated, as a class action pursuant to Code of Civil Procedure section 382. The class that the Attorney General seeks to represent is composed of and defined as follows: those Political Subdivisions and Public Agencies within the State of California, excluding federal government entities, that purchased CRTs directly or indirectly, from approximately March 1995 to June 2007, (the "Class"). Also excluded from this definition are all state agencies that either constitute an arm of the State of California under the Eleventh Amendment of the U.S. Constitution or are not otherwise treated under California law as being autonomous from the State of California itself. Plaintiffs reserve the right under Rules of Court rule 1855(b), to amend or modify the Class description with greater specificity, or further division into subclasses or limitation as to particular issues.

190. The Attorney General may sue on behalf of the Class because:

a. The Class is so numerous that joinder of all members is impracticable. The Class numbers in the thousands.

b. Questions of law and fact are common to the Class, including but not limited to the following:

i. Whether Defendant conspired with Co-conspirators to fix, raise, stabilize, or maintain the prices of CRTs;

- ii. Whether Defendant and Co-conspirators' conduct caused injury to the business or property of Plaintiffs and the members of the Class;
- iii. The operative time period of Defendant's and Co-conspirators' conspiracy and the effects therefrom;
- iv. The amount of aggregate damages suffered by the Class as a whole;
- v. Whether the Class suffered antitrust injury;
- vi. Whether Defendant was unjustly enriched to the detriment of the Class, entitling the Class to disgorgement of all monies resulting therefrom; and
- vii. Whether the Class is entitled to restitution and/or disgorgement, in addition to, or as a substitute for, damages under California law.

c. The claims of the City and County of San Francisco are typical of the Class because all members of the Class were injured, and may continue to be injured, in the same manner by Defendant and Co-conspirators' unlawful, anticompetitive and inequitable methods, acts, and practices, i.e., they paid supra-competitive and artificially high prices for CRTs and CRT-containing products and may be forced to do so in the future. Moreover, the defenses would involve common issues with respect to the City and County of San Francisco and the Class members.

d. The Attorney General and the City and County of San Francisco will fully and adequately protect the interest of all members of the Class. The Attorney General is experienced in antitrust litigation, including class action litigation. The City and County of San Francisco has no interests that are adverse to, or in conflict with, those of the Class.

e. The questions of law and fact common to the members of the Class predominate over any questions that may affect only individual members.

f. For the City and County of San Francisco and the members of the Class bringing this action, a class action is equivalent or superior to other available methods for the fair and

1 efficient adjudication of this controversy. Joinder of all political subdivision and public agencies  
2 within the State of California that purchased CRTs and CRT-containing products would be  
3 impracticable. The Class is readily definable and prosecution as a class action will eliminate the  
4 possibility of duplicative litigation, while also providing redress for claims that would otherwise  
5 be too small to support the expense of individual complex litigation.

## 6 XII. VIOLATIONS ALLEGED

### 7 a. FIRST CAUSE OF ACTION

#### 8 (Count One – For Violation of the Cartwright Act, 9 Business & Professions Code Section 16720) 10 (Against All Defendants)

11 191. Plaintiffs incorporate by reference and allege as if fully set forth herein paragraphs  
12 1 to 191 above with the same meaning, force and effect.

13 192. Beginning on or around March 1995, and continuing thereafter at least up to and  
14 including June 30, 2007, Defendants and their Co-conspirators entered into and engaged in a  
15 continuing unlawful trust for the purpose of unreasonably restraining trade in violation of section  
16 16720, California Business and Professional Code.

17 193. The aforesaid violations of section 16720, California Business and Professions  
18 Code, consisted, without limitation, of a continuing unlawful trust and concert of action among  
19 the Defendants and their Co-conspirators, the substantial terms of which were to fix, raise,  
20 maintain and stabilize the prices of, and to allocate markets for, CRTs.

21 194. For the purpose of forming and effectuating the unlawful trust, the Defendants and  
22 their Co-conspirators conspired to:

- 23 a. fix, raise, maintain, and stabilize the price of CRTs;
  - 24 b. allocate markets for CRTs amongst themselves;
  - 25 c. submit rigged bids for the award and performance of certain CRT  
26 contracts; and
  - 27 d. allocate amongst themselves the production of CRTs.
- 28



1           195.     The combination and conspiracy alleged herein has had, *inter alia*, the following  
2 effects:

- 3                   a.     price competition in the sale of CRTs has been restrained,  
4                             suppressed and/or eliminated in the State of California;  
5                   b.     prices for CRTs sold by Defendants and their Co-conspirators have  
6                             been fixed, raised, maintained and stabilized at artificially high,  
7                             non-competitive levels in the State of California; and  
8                   c.     those who purchased Defendants' and their Co-conspirators' CRTs  
9                             have been deprived of the benefit of free and open competition.

10           196.     As a direct and proximate result of Defendants' and their Co-conspirators'

11           197.     unlawful conduct, Plaintiffs were injured in their business and property in that they  
12 paid more for CRTs and CRT containing products than they would have paid in the absence of  
13 Defendants' and their Co-conspirators' unlawful conduct. As a result of Defendants' and their  
14 Co-conspirators' violation of section 16720 of the California Business and Professions Code,  
15 Plaintiffs bring this claim pursuant to section 16750(c) and seek treble damages and the costs of  
16 suit, including reasonable attorneys' fees, pursuant to section 16750(a) of the California Business  
17 and Professions Code. Plaintiffs also seek injunctive relief pursuant to California Business and  
18 Professions Code section 16754.5.

19           **(Count Two – For Violation of the Cartwright Act, Business & Professions Code Section**  
20                   **16720, by Assignment Pursuant to Government Code Sections 4552-4554)**  
21                             **(Against All Defendants)**

22           198.     Plaintiffs incorporate by reference and allege as if fully set forth herein paragraphs  
23 1 to 197 above with the same meaning, force and effect.

24                   **(Count Three – For Violations of the Cartwright Act, Business & Professions**  
25                   **Code Section 16760, Parens Patriae on Behalf of Natural Persons)**  
26                             **(Against All Defendants)**

27           199.     Plaintiffs incorporate by reference and allege as if fully set forth herein paragraphs  
28 1 to 198, above, with the same meaning, force and effect.

1           200.       As a direct and proximate result of defendants' unlawful conduct described above,  
2 natural persons residing in the State of California were injured in their business and property in  
3 that they paid more for CRTs than they would have paid in the absence of defendants' unlawful  
4 conduct. Defendants' and their Co-conspirators' unlawful conduct has also resulted in  
5 deadweight loss to the economy of the State of California. As a result of Defendants' and their  
6 Co-conspirators' violation of section 16720 of the Business and Professions Code, the Attorney  
7 General brings this claim in the name of the people of the State of California, as *parens patriae*  
8 on behalf of natural persons residing in the state, and seeks treble damages and the costs of suit,  
9 including reasonable attorneys' fees, pursuant to section 16760(a) of the Business and Professions  
10 Code.

11           b.       **SECOND CAUSE OF ACTION**

12                               **(For Violation of the Unfair Competition Law**  
13                               **Business & Professions Code Section 17200)**

14                                       **(Against All Defendants)**

15           201.       Plaintiffs incorporate by reference and allege as if fully set forth herein  
16 paragraphs 1 to 200 above with the same meaning force and effect.

17           202.       Beginning at a time presently unknown to Plaintiffs, but at least on or  
18 around the beginning of March 1995, and continuing thereafter at least up to and including June  
19 30, 2007, Defendants and their Co-conspirators committed acts of unfair competition, as defined  
20 by Sections 17200, *et seq.* of the California Business and Professions Code.

21           203.       The acts, omissions, misrepresentations, practices and non-disclosures of  
22 Defendants and their Co-conspirators, as alleged herein, constituted a common continuous and  
23 continuing course of conduct of unfair competition by means of unfair, unlawful and/or  
24 fraudulent business acts or practices within the meaning of California Business and Professions  
25 Code, Section 17200, *et seq.*, including, but not limited to, the following:

- 26                   a.       The violations of section 16720, *et seq.*, of the California Business and  
27 Professions Code, set forth above, thus constituting unlawful acts within the  
28 meaning of section 17200 of the California Business and Professions Code;

- 1           b.       Defendants' acts, omissions, misrepresentations, practices and  
2                    nondisclosures, as described above, whether or not in violation of Section  
3                    16720, et seq. of the California Business and Professions Code, and whether  
4                    or not concerted or independent acts, are otherwise unfair, unconscionable,  
5                    unlawful or fraudulent;
- 6           c.       Defendants' act and practices are unfair to consumers of CRTs in the State of  
7                    California, within the meaning of Section 17200, California Business and  
8                    Professions Code; and
- 9           d.       Defendants' acts and practices are fraudulent or deceptive within the  
10                   meaning of Section 17200 of the California Business and Professions Code.

11           204.     The unlawful and unfair business practices of Defendants and their Co-  
12                   conspirators, and each of them, as described above, caused Plaintiffs to pay supra-competitive  
13                   and artificially-inflated prices for CRTs. They suffered injury in fact and lost money or property  
14                   as a result of such unfair competition.

15           205.     As alleged in this Complaint, Defendants and their Co-conspirators have been  
16                   unjustly enriched as a result of their wrongful conduct and by Defendants' and their Co-  
17                   conspirators' unfair competition. Consumers of CRTs in California are accordingly entitled to  
18                   equitable relief including restitution which may have been obtained by Defendants as a result of  
19                   such business practices, pursuant to the California Business and Professions Code, sections 17203  
20                   and 17204. Plaintiffs are also entitled to civil penalties to the maximum extent permitted by law  
21                   pursuant to California Business and Professions Code, Section 17206, et. seq.

22           c.       **THIRD CAUSE OF ACTION**

23                               **(For Unjust Enrichment)**

24                               **(Against All Defendants)**

25           206.     Plaintiffs incorporate by reference and allege as if fully set forth herein paragraphs  
26                   1 to 205 above with the same meaning force and effect.

207. Plaintiffs conferred upon Defendants and their Co-conspirators an economic benefit, in the nature of anti-competitive profits resulting from unlawful overcharges and monopoly profits.

208. Defendants' and their Co-conspirators' financial benefits resulting from their unlawful and inequitable conduct are economically traceable to overpayments for CRTs by Plaintiffs.

209. The economic benefit of overcharges and unlawful monopoly profits derived by Defendants and their Co-conspirators through charging supra-competitive and artificially inflated prices for CRTs is a direct and proximate result of Defendants' and their Co-conspirators' unlawful practices.

210. It would be inequitable and unjust for Defendants and their Co-conspirators to be permitted to retain any of the unlawful proceeds resulting from their fraudulent, illegal, and inequitable conduct.

211. As alleged in this Complaint, Defendants and their co-conspirators have been unjustly enriched as a result of their wrongful conduct and by Defendants' and their Co-conspirators' unfair competition. Plaintiffs are accordingly entitled to equitable relief including restitution and/or disgorgement of all revenues, earnings, profits, compensation and benefits which may have been obtained by Defendants and their Co-conspirators as a result of such business practices.

### XIII. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

1. That judgment be entered in favor of Plaintiffs and against Defendants;

2. That the Court adjudge and decree that Defendants' contract, conspiracy, or combination constitutes an illegal restraint of trade in violation of the Cartwright Act, section 16720, et. seq., of the Business & Professions Code;

3. That the Court adjudge and decree that Defendants' contract, conspiracy, or combination violates the Unfair Competition Law, section 17200, et seq. of the Business & Professions Code;

1           4.       That Plaintiffs be awarded their damages, trebled, in an amount according to  
2 proof;

3           5.       That Plaintiffs be awarded the deadweight loss (i.e., the general damage to the  
4 economy of the State of California) resulting from Defendants' illegal activities;

5           6.       That Plaintiffs be awarded restitution, including disgorgement of profits obtained  
6 by Defendants as a result of their acts of unjust enrichment, or any acts in violation of state  
7 antitrust or consumer protection statutes and laws, including section 17200 of the Business &  
8 Professions Code;

9           7.       That Plaintiffs and natural persons be awarded pre- and post-judgment interest,  
10 and that the interest be awarded at the highest legal rate from and after the date of service of the  
11 initial complaint in this action;

12           8.       That Plaintiffs be awarded civil penalties, pursuant to California Business &  
13 Professions Code section 17206 in the dollar amount of two thousand five hundred dollars and  
14 zero cents, (\$2,500.00) for each violation of Defendants anticompetitive conduct as set forth in  
15 this Complaint;

16           9.       That Defendants, their affiliates, successors, transferees, assignees, and the  
17 officers, directors, partners, agents, and employees thereof, and all other persons acting or  
18 claiming to act on their behalf be permanently enjoined and restrained from in any manner  
19 prescribed by pursuant to California Business & Professions Code § 16754.5 including being  
20 subject to measures necessary to restore competition;

21           10.      That Plaintiffs recover their costs and reasonable attorney's fees; and

22           11.      That the Court grant other legal and equitable relief as it may deem just and  
23 proper, including such other relief as the Court may deem just and proper to redress, and prevent  
24 recurrence of, the alleged violation in order to dissipate the anticompetitive effects of Defendants'  
25 violations, and to restore competition.

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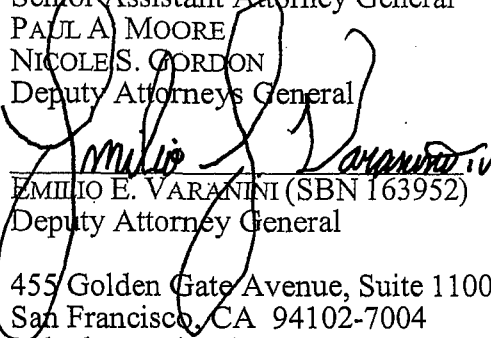
**XII. JURY TRIAL DEMANDED**

Plaintiffs hereby demand trial by jury for all causes of action, claims or issues in this action which are triable as a matter of right to a jury.

Dated: November 8, 2011

Respectfully Submitted,

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MARK BRECKLER  
Chief Assistant Attorney General  
KATHLEEN E. FOOTE  
Senior Assistant Attorney General  
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*Attorneys for Plaintiffs*

## APPENDIX A

Corporate Entity	Venture	Corporation
Chunghwa		Chunghwa Picture Tubes, Ltd.
		Tatung Company (Parent)
		Chunghwa Picture Tubes (Malaysia) Sdn. Bhd. (Chunghwa Malaysia)
Daewoo/Orion		Orion Electric Company
		Daewoo Electronics Co., Ltd.
		Daewoo Telecom Company
		Daewoo Corporation
		Orion Electronics Component Company
	Joint Venture	Daewoo-Orion Société Anonyme ("DOSA") – joint venture between Daewoo Electronics Co., Ltd & Orion
	Joint Venture	TEDI – joint venture between Orion and Toshiba Corporation and 2 non-defendant entities
Hitachi		Hitachi Ltd.
		Hitachi Displays, Ltd.
		Hitachi Electronic Devices (USA) Inc., ("HEDUS")
		Hitachi America, Ltd.
		Hitachi Asia, Ltd.
		Shenzhen SEG Hitachi Color Display Devices, Ltd.
IRICO		IRICO Group Corporation ("IGC")
		IRICO Display Devices Co., Ltd. ("IDDC")
		IRICO Group Electronics Co., Ltd. ("IGE")
LG Electronics		LG Electronics, Inc. (formerly GoldStar Communications)
		LG Electronics USA, Inc. ("LGEUSA")
		LG Electronics Taiwan Taipei Co., Ltd. ("LGETT")
LP Displays		LP Displays International, Ltd f/k/a LG Philips Displays ("LP Displays")
Panasonic		Panasonic Corporation (f/k/a Matsushita Electronic Industrial Co., Ltd.)
	Joint Venture	MTPD – joint venture between Panasonic Corporation & Toshiba <sup>1</sup>
		Panasonic Consumer Electronic Co., ("PACEC") – subsidiary of Panasonic N.A.
		Panasonic Corporation of North America
		Matsushita Electronic Corporation (Malaysia) Sdn Bhd <sup>2</sup>
	Joint Venture	MT Picture Display Co., Ltd. – joint venture between Panasonic Corporation & Toshiba <sup>3</sup>
	Joint Venture	Beijing Matsushita Color CRT Company ("BMCC") – joint venture between Beijing Orient Electronics (Group) Co., Ltd., China National Electronics Import & Export Beijing Company and Company Yayunchun Branch (Industrial & Commercial Bank of China, Ltd.)

<sup>1</sup> Became wholly owned subsidiary of Panasonic in 2005.

<sup>2</sup> Transferred to MTPD in 2003.

<sup>3</sup> Bought out by Panasonic.

Samsung		Samsung Electronics Co., Ltd.
		Samsung Electronics America, Inc. ("SEAI")
		Samsung SDI Co., Ltd f/k/a Samsung Display Device Co., Ltd ("Samsung SDI")
		Samsung SDI America, Inc.
		Samsung SDI Mexico S.A. de C.V. ("Samsung SDI Mexico")
		Samsung SDI Brasil Ltda ("Samsung SDI Brasil")
		Shenzhen Samsung SDI Co., Ltd. ("Samsung SDI Shenzhen")
		Tianjin Samsung SDI Co., Ltd
		Samsung SDI (Malaysia) Sdn. Bhd. ("Samsung SDI Malaysia")
Samtel		Samtel Color, Ltd.
Tatung		Tatung Company of America, Inc. (Owned by Tatung Company)
Thai CRT		Thai CRT Company, Ltd. ("Thai CRT")
		Toshiba Corporation
	Joint Venture	P.T. Tosummit Electronic Devices Indonesia ("TEDI") – joint venture between Toshiba Corporation & Orion (n/k/a Daewoo Electronics Corporation) and 2 other non-defendant entities
	Joint Venture	Toshiba-Matsushita Display Technology Co., Ltd – joint venture between Toshiba Corporation & Panasonic Corporation
		Toshiba America, Inc. ("Toshiba America")
		Toshiba America Consumer Product, LLC ("TCAP")
		Toshiba America Information Systems, Inc. ("TAIP")
		Toshiba America Electronics Components, Inc., ("TAEC")
		Toshiba Display Devices (Thailand) Company, Ltd., ("TDDT") <sup>4</sup>
	Joint Venture	P.T. Tosummit Electronic Devices Indonesia ("TEDI") – joint venture between Toshiba Corporation, Orion Electronic Corporation and 2 other non-defendant entities.

<sup>4</sup> Transferred to joint venture with Panasonic Corporation (MTPD).